Photo by John Colwell

MICHAEL DUKAKIS

GEORGE BUSH

Photos by Tim Patrick

JESSE JACKSON

Let George do it, AA readers agree

By PETER CUNNINGHAM

Republican George Bush is the overwhelming choice for president by advertiser, media and ad agency officials, according to a spot check by ADVERTISING AGE.

Of 254 industry people surveyed, culled from the AD AGE subscriber list, 164—or 65%—said they would vote for Vice President Bush over his Democratic rivals, Massachusetts Gov. Michael Dukakis and the Rev. Jesse Jackson.

Even the Democrats' combined totals barely exceeded half the total in favor of Vice President Bush. The unscientific "sample of convenience" showed Gov. Dukakis was the choice of 79 respondents—31%—while the Rev. Jackson got the nod from only 11 respondents, or 4%.

Vice President Bush scored his highest totals among male client respondents and his lowest percentage among female client respondents—which is where the Rev. Jackson did his best by far.

Gov. Dukakis did best among female media respondents.

The vice president also outpolled the combined totals of the Democrats in every region but the West. Even in the more liberal Northeast, where Gov. Dukakis has exhibited the most strength, Vice President Bush was the clear winner with 75 of 120 responses.

In his home state, Gov. Dukakis barely was the favorite, garnering just seven of 13 responses; the Rev. Jackson got one vote, and Vice President Bush got five. In New York, 41 of 74 people reached said they would vote for the vice president while 32 said they would vote for Gov. Dukakis; only one person was for the Rev. Jackson.

In California, 11 people said they would vote for Vice President Bush, eight were for Gov. Dukakis and four were for the Rev. Jackson.

Of the 24 who responded in Illinois, 18 were for the vice president and six were for Gov. Dukakis. None named the Rev. Jackson, a fellow Illinoisan.

Nine of 10 Michigan respondents were for the vice president, with the only other respondent pulling for the Rev. Jackson. Nine of 12 respondents in Ohio were for Vice President Bush, with the rest going to Gov. Dukakis. Five of eight Texans were for the vice president.

The breakdown by category:

- Among agency people, 58 of 89 favored Vice President Bush, 27 favored Gov. Dukakis and four favored the Rev. Jackson.
- Among media people, 49 of 78 favored Vice President Bush, 27 favored Gov. Dukakis and two said they would support the Rev. Jackson.
- Among advertisers, 57 of 87 favored Vice President Bush, 25 were for Gov. Dukakis and five were for the Rev. Jackson.

Fifty-four of the 93 women surveyed, or 58%, favored the vice president; of the remaining 39 responses, Gov. Dukakis was favored by 33 and the Rev. Jackson by six.

Men favored the vice president more heavily, giving him 110, or 68%, of 161 responses. Forty-six favored Gov. Dukakis and five were for the Rev. Jackson.

One of three people reached wouldn't answer because they hadn't made up their minds or, more typically, weren't enthusiastic about any of the candidates.

These comments may tell as much as the numbers about where the ad industry stands on campaign '88:

- "I don't like any of them."
- "I'm hoping some white knight will come out of the hills."
- "Reluctantly, oh gee, oh God, oh dear, gosh—Bush."
- "Realistically and unfortunately . . . Dukakis."
- "None of the ones I want are in the running."
- "I'm for Richard Nixon."#

Peter Cunningham is a Chicago-based free-lance writer.

★★★★ 88 Campaign

Diamandis likes his fellow Greek for White House

There's no doubt about who'll get Peter Diamandis' vote.

"If I don't vote for [Massachussets Gov. Michael Dukakis], they will throw me out of the Greek Club," said Mr. Diamandis, 57, president-ceo of Diamandis Communications Inc. and the son of a Greek immigrant. "Unless he [Gov. Dukakis] comes up with some harebrained idea, I'll stick with him."

Mr. Diamandis said he's a registered independent but has voted Republican in the past.

"If you are in business, you tend to think in the Republican camp. The creeping cost of government was a concern before Reagan, but despite the rhetoric, Republicans have not done a great job of cutting costs," Mr. Diamandis said.

What makes Gov. Dukakis, a Democrat, appealing, he said, is that he's "solid."

"Dukakis is not too exciting, he's a centrist," Mr. Diamandis said. "I've given up on the geniuses. I am looking for basic integrity in the human being, and that's what he has."

And Mr. Diamandis said Gov. Dukakis "comes across better" on TV than Vice President George Bush.

"I still remember when Bush went after Geraldine Ferraro in the debates. He looked foolish," Mr. Diamandis said.#

Presidential sweepstakes

Category Breakdown

	Agencies		Media		Clients	
	Men	Women	Men	Women	Men	Women
Bush	68%	61%	65%	57%	72%	56%
Dukakis	26	36	33	39	26	32
Jackson	6	3	2	4	2	12

Regional Breakdown

	Bush	Dukakis	Jackson
Northeast	63%	36%	1%
Southeast	73	18	9
South Central	57	43	0
Midwest	75	21	4
Plains	67	25	8
Mountains	71	29	0
West	45	41	14
Total	65%	31%	4%

Source: ADVERTISING AGE

Execs say mum's the word on presidential preference

Some top corporate executives are playing their political hands close to their vests in this presidential election.

Samuel C. Johnson, chairman of S.C. Johnson & Son, said he intends to vote for Vice President George Bush. He declined to cite any reasons.

But other top advertisers contacted by ADVERTISING AGE refused to say who they intend to vote for this November.

John Smale, chairman-ceo of Procter & Gamble Co., said as far as he knows, "America still conducts a secret ballot" for president.

Jack Collins, chairman of Clorox Co., said he'd "just as soon not discuss my politics," while Gordon McGovern, ceo-president of Campbell Soup Co., said that "voting is a private matter, and I'm going to make my decision on Election Day . . . and keep it to myself."

Reuben Mark, Colgate-Palmolive Co. chairman, also declined to comment, saying he didn't want to be seen as influencing the company's employees to vote for any particular candidate.#

Agency heads split on Bush

Philip Geier Jr., chairman-ceo of Interpublic Group of Cos., New York, is unequivocal: He's for Vice President George Bush, period.

"His domestic national experience via Congress and the executive branch, plus living overseas and working in the foreign affairs arena, qualifies him as the best man to get the job done with Congress and foreign governments. The one concern I had with him faded when he took Dan Rather on and won."

Jerry Siano, vice chairman of N W Ayer, is a Bush man, too. "I think from an economic point of view, regardless of what's happened to Reagan over the last year or two, that the continuity of keeping the country going is better than a new Democratic person."

But John Noble, president of John Noble Advertising, Tiburon, Calif., has a different perspective. When asked who he was going to vote for, Mr. Noble's response was "Dukakis. What's his name? Michael. Michael Dukakis." His reasoning: "George Bush is the kind of guy who, when he's taking a shower and has to go to the bathroom, he gets out. He's too prissy for me."

William A. Robinson, chairman of William A. Robinson Inc., Chicago, a unit of Ketchum Communications, was more subdued in his answer. "If the election were tomorrow, I'd vote for Mike Dukakis. It's a more philosophical than pragmatic choice, but some of his domestic views appeal to me."

Gerrold Rubin, president, Rubin Postaer & Associates, Los Angeles, declined to answer the question, saying he'd "prefer to hide behind the surgeon general's warnings and just say, 'Such a comment could be hazardous to my health.' "#

Now you can reach 25,000 key decision makers in the People's Republic of China —in their own language—with International Business & Management.

McGraw Hill

AGENCY PAY

Pay raises favor South

(Continued from Page 3)
total compensation. But those who did got big boosts, an average 22% hike. That would be even higher if the survey results had included three ceos whose big bonus checks raised their earnings by 360%, 101% and 78%. They were left out so as not to throw the total picture askew.

Creative directors who got pay raises did well. Seven of every 10 creative directors (68%) got an increase and boosted their take-home pay by an average of 19%.

Salary plus bonuses

Examining increases in total compensation—base salary plus bonus—is the best way to measure overall pay gains.

This survey calculated total increases by comparing compensation for a one-year period for each "matched" employee in the sample (those reported in both the 1986 and 1987 surveys). In most cases, bonuses were paid in 1987 for the previous year's performance.

The 26% of the sample who got no increase in pay were joined on the low end by another 15% who received small or modest total cash boosts of between 1% and 5%. Another 28% reported more substantial increases of between 6% and 12%.

On the high side, almost a third of the sample (31%) received a total earnings increase of 13% or more *(see chart on Page 3)*.

In the largest ad agencies (more than $100 million in billings), increases averaged 11.6% overall and 84% of the work force got one—the highest overall increase and largest percentage receiving increases reported among the five agency size groups. (The overall average takes into account all matched employees—those who did and those who didn't get an increase.)

In agencies with up to $100 million in billings, overall gains were smaller: 9.8% in agencies billing up to $5 million, 7.9% in the $5 million-to-$10 million group, 7.8% in the $10 million-to-$25 million group and 8.7% in the $25 million-to-$100 million group.

The percentage getting increases ranged from a low of 70% to a high of 74%, and pay hikes for those who got one ranged from a high of 17.2% in the smallest agencies to a low of 14.6% in the $10 million-to-$25 million group.

By region

Pay increase results by region favored agencies in the South, where raises averaged 13.7% overall and 20.9% for the 83% who got one. Agencies in the West were in the runner-up spot, with increases averaging 12.4% overall and 19.8% for the 71% who collected one.

Well behind were agencies in the Midwest, which reported gains of 8.9% overall and 14.5% for the 74% who received one, and those in the East, which awarded increases of 8.2% overall and 13.9% for the 72% who got one.

Agencies put the brakes on bonus pay in 1987, offering incentives to a much smaller proportion of the work force than in the two previous years.

Less than one-quarter (24%) of the sample earned a performance-based bonus, compared with 37% in the previous year and 41% the year before that.

Even with 1987's largest individual bonus included, the average bonus shrank to 19% of base salary from 22% of base in the previous two years.

In the nation's largest agencies, the percentage of employees receiving bonus pay dropped from 50% to just 20%, and the average bonus check was trimmed *(see chart on Page 36)*.

Executives with broad managerial responsibilities—ceos, presidents, branch office managers, VPs—experienced the bonus cutbacks firsthand: 39% of these key executives earned bonuses in 1987, compared with 48% in 1986 and 62% in 1985.

For advertising's highest-paid executives, bonuses are more often than not an essential element of cash compensation.

For example, of the 10 highest-paid ceos in this year's survey, the seven who got bonus checks made almost as much in bonus as in salary: They averaged $288,000 in bonus and $310,500 in salary. The highest-paid executive in the survey, the ceo of a large subsidiary agency, added a $573,600 bonus to a $372,500 salary to earn an extraordinary $946,100.

Base salary increases

For most agency staff, pay gains came from raises in base salary rather than bonuses. The average salary increase for all matched employees was a solid 9.5%, an improvement from the previous year's average raise of 8.2%. The average salary raise for the 75% of the sample who got one was 13.4%, just below last year's 13.6% clip *(see chart on Page 36)*.

The quarter of the sample who got no raise at all were offset by another quarter who earned an increase of 13% or more. Raises for the other

(Continued on Page 36)

1987 "Hall of Fame"

Highest total compensation reported by position

CEO (subsidiary)	$946,100
Creative director	746,400
CEO (independent)	638,600
President/COO	540,000
Chief financial officer	421,000
Executive vice president	330,000
Director account management	320,000
Branch office manager	300,000
Business development manager	289,400
Associate creative director	210,500
Creative supervisor	185,000
Senior account executive	182,300
Market research manager	168,000
Media director	160,000
Controller	152,000
Senior art director	150,000
Broadcast production manager	135,000
Public relations manager	130,000
Producer	127,500
Associate media director	126,000
Account planning manager	125,000
Senior copywriter	125,000
Traffic manager	125,000
Human resources director	120,800
Art director	110,000
Print production manager	97,500
Copywriter	96,000
Data processing manager	95,000
Account executive	80,000
Junior copywriter	55,000

Source: ©1988 by Cole Surveys Inc.

About the survey

Boston—The third annual Cole Survey of Compensation in Advertising Agencies features information submitted by 260 agencies, including 14 multi-unit headquarters, 218 independent agencies, 22 subsidiaries and six branch offices.

For comparison, agencies were divided into five billing-size groups—up to $5 million, $5 million to $10 million, $10 million to $25 million, $25 million to $100 million and more than $100 million. They were also put into four regional designations (East, South, Midwest and West).

Of the 5,250 employees reported this year, 5,091 (or 97%) were assigned by their agencies to one of 30 defined survey positions; the remaining 159 (3%) occupied positions involving duties other than those described for the 30 defined positions.

Each agency submitted data for base salaries and total compensation as of Oct. 1, 1987 (total compensation is the sum of base salary at that date and any bonus paid during all of 1987).

All agencies submitted information for individual employees, using employee numbers for identification—the employee numbers were used to calculate base salary and total cash increases of "matched" employees (those reported by the same employee number and company in both last year's and this year's surveys).

Complete survey results are available in two comprehensive reports prepared by Cole Surveys.

Each agency that participated in the survey can order a 125-page "Confidential Report" that features customized displays comparing its data to that of two peer groups of other agencies.

Agencies also may order a "Cole Edition" of the report, a non-customized version with detailed salary and total pay information for all 30 positions.

For more information, call Cole Surveys at 1-800-343-2215.#

Average total compensation* by position — 1987

By agency billings size ($ in thousands)

	Up to $5 million	$5-10 million	$10-25 million	$25-100 million	Over $100 million
CEO (independent)	$67.3	$141.9	$166.9	$202.8	$418.8
CEO (subsidiary)	**	101.5	132.2	170.5	425.7
President/COO	54.1	100.9	104.6	168.4	254.3
Branch office manager	35.4	54.7	69.6	89.6	192.0
Executive vice president	47.6	73.4	84.6	117.2	200.1
Chief financial officer	33.0	60.3	61.1	75.0	156.6
Controller	27.1	31.8	41.0	43.6	79.2
Data processing manager	18.6	22.7	33.1	30.8	52.5
Human resources director	21.5	34.5	37.7	36.1	82.7
Traffic manager	20.5	26.2	26.3	26.0	41.9
Creative director	41.2	71.7	73.1	111.6	192.0
Associate Creative Director	36.7	44.7	59.8	75.0	107.2
Creative Supervisor	36.7	**	52.7	55.5	83.0
Senior art director	33.7	40.0	43.6	53.3	74.4
Art director	23.3	30.5	33.9	35.2	43.5
Senior copywriter	29.5	40.8	41.0	49.1	71.2
Copywriter	22.5	31.2	35.5	35.4	42.7
Junior copywriter	16.5	21.0	24.3	23.8	32.0
Media director	27.0	34.0	45.9	59.8	104.2
Associate media director	20.1	20.1	28.9	40.7	60.0
Broadcast production manager	21.0	22.1	37.1	43.9	86.2
Producer	**	24.7	28.3	40.9	57.6
Print production manager	25.3	33.6	36.5	40.9	52.6
Public relations manager	31.2	47.4	47.8	49.0	68.8
Business development manager	39.1	45.0	68.0	68.7	145.0
Market research manager	30.9	42.0	46.4	64.6	56.3
Director account management	45.5	62.4	67.0	84.0	134.4
Account planning manager	36.5	45.7	54.3	65.7	83.5
Senior account executive	40.2	43.1	48.7	54.5	49.5
Account executive	25.8	34.1	32.5	32.4	35.3

* Salary and bonuses ** Limited sample

Source: ©1988 by Cole Surveys Inc.

AGENCY PAY

Ceos on par with other industries

(Continued from Page 34)
half fell between the two extremes: 18% received increases of between 1% and 5%, while 32% earned raises of between 6% and 12%.

The most popular salary raise was 5%, earned by one of every 10 employees.

Agencies billing more than $100 million awarded an average increase of 11%. In agencies billing up to $100 million the average raise varied little, from a high of 9.1% in agencies billing up to $5 million to a low of 7.9% in the $10 million-to-$25 million group.

Salary results by region show the South on top with an average raise of 14.5%, the East and West deadlocked at 9.9%, and the Midwest lowest at 7.6%.

Salary increases in the East and West illustrate the relationship between three key increase statistics: the average increase for all employees, the percentage who got an increase and the average increase for those who got one.

In both regions, the overall increase was 9.9%. In the East, the 72% who got a raise averaged 14.1%; in the West, the 62% who got an increase averaged 19.1%.

Increases for those who got one were clearly higher in the West, and only the West's larger proportion of "zero increases" brought its average increase for all employees down to the same 9.9% figure reported by agencies in the East.

Position by position

Pay levels are driven first and foremost by agency size, as measured in client billings. But positions are another important factor, by area of expertise *(see chart on Page 34)*.

Ceos of independent and subsidiary agencies generally are the highest-paid executives in advertising. While ceo pay levels rose steadily in relation to billings in agencies billing up to $100 million, the big jump came in the largest agencies, where the average paycheck surpassed the $400,000 mark.

In the largest independent agencies, the ceo's cash earnings soared to an average of $418,800, on a par with the paychecks earned by ceos in banking and other major industries.

Subsidiary heads made an average of $30,000 to $40,000 less than independent-agency ceos in agencies with billings between $5 million and $100 million, but they surpassed their independent counterparts in the largest agencies, earning an average of $425,70[illegible].

Ceos of subsidiaries [illegible] independent-agency he[illegible] paid by very large parent companies with compensation programs that emphasize performance-based bonus pay.

The ceo bonus results bear out this distinction: More than half (55%) of the subsidiary heads earned a bonus averaging 57% of base salary (or $99,900), while a little more than one-third (37%) of the independent-agency ceos received bonus pay averaging 46% of base salary (or $49,500).

The total package for ceos is often supplemented by a variety of other company-paid perquisities *(see chart on this page)*.

Just below the ceos in the management hierarchy are presidents and exec VPs. Presidents made more than exec VPs in agencies of every size, but their pay edge grew considerably larger as agency billings increased.

In the smallest agencies, for example, presidents earned total cash averaging $54,100, or 13.7% more than the exec VPs' $47,600. In the largest agencies, the pay gap widened to more than $54,000, with total cash averaging $254,300 for presidents and $200,100 for exec VPs.

A president's bonus was about twice as big, averaging 36% of base salary; exec VP bonuses averaged about 18% of base.

Branch office manager pay started at an average of $35,400 in the smallest offices and rose to $89,600 in the $25 million-to-$100 million group. In branch offices billing more than $100 million, however, total cash for branch managers jumped to an average of $192,000, just shy of the $200,100 average for exec VPs.

To many ad agencies, cost control and profitability are survival issues, and "dollars and cents" positions like chief financial officer and controller are where the action is. Financial officers are among the highest-paid advertising executives, particularly in the largest agencies, where they earned an average of $156,600. The highest-paid financial officer made $421,000; total salary/bonus compensation for all chief financial officers averaged $68,500.

Controllers' pay started at an average of $27,100 in the smallest agencies and rose moderately to $43,600 in agencies billing $25 million to $100 million; in the largest agencies, controllers made an average of $79,200.

In bonus pay, 43% of the chief financial officers earned bonuses averaging 19% of base salary, while 29% of the controllers earned bonuses averaging 12% of base.

The top creative talents—creative directors, associate directors and supervisors—are also among the highest-paid professionals in advertising.

Top-paid creative: $746,400

In the largest agencies, creative chiefs earned an average of $192,000, and the highest-paid creative director made $746,400, the second-largest paycheck reported this year. The average for all 216 creative directors was $103,600. In the smallest agencies, creative directors took home an average of about $40,000 in total cash pay.

While associate creative directors and creative supervisors each earned $36,700 in the smallest agencies, associate directors pulled ahead in the $10 million-to-$25 million group, averaging total cash of $59,800 to the creative supervisors' $52,700. The pay differential was even larger in the largest agencies, where total cash for associate directors and supervisors averaged $107,200 and $83,000, respectively.

Performance-based bonuses were awarded to 33% of the creative directors, 31% of the associate directors and 21% of the creative supervisors. Creative directors earned bonuses averaging 22% of base salary, about twice the size of the average incentive paid to associate directors (11% of base) and supervisors (10%).

The pay lines for comparable positions in art and copy are remarkably similar. For example, senior art directors earned average total cash of $50,500, while senior copywriters averaged $49,500. Bonus results are also similar: 19% of the senior art directors received bonuses averaging 10% of base salary; 19% of the senior copywriters earned bonuses equal to 9% of base.

Art directors averaged $36,500 in total cash, only $1,700 less than the $38,200 average for midlevel copywriters. Bonuses as a percent of base pay averaged 7% for art directors and 6% for copywriters.

Total cash for junior copywriters started at $16,500 in the smallest agencies, rose to an average of $21,000 to $24,000 in agencies billing $5 million to $100 million and topped off at $32,000 in the largest agencies. Six percent of the junior copywriters earned bonuses equal to about three weeks' pay.

New business

The goal for business development managers is to land new clients, a challenge that offers generous rewards for success, particularly in large agencies where new accounts can mean millions of dollars in billings.

Total cash for business development specialists jumped to $145,000 in the largest agencies, not far behind the $156,600 average for chief financial officers. For the smallest agencies, the starting average was $39,000.

Nearly half (45%) earned performance-based bonuses, second only to the 55% rate for subsidiary-agency ceos.

Directors of account management act as the chief liaison between agency and client, while account planning managers are responsible for developing longer-term strategies to accomplish client objectives.

In the smallest agencies, directors earned an average of $45,500, or $9,000 more than planning managers; in agencies billing $25 million to $100 million, the total cash difference was about twice as large—$84,000 for directors vs. $65,700 for planners.

In the largest agencies, directors earned an average of $134,400, more than double the $63,500 average for account planners.

Although senior and junior account executives earn respectable salaries and bonuses, agency size has less impact on pay levels in these positions than in most other jobs. Total pay for senior account executives averaged $40,200 in the smallest agencies and rose to $49,500 in the largest shops. Thirty percent of the senior account executives collected bonuses averaging 14% of base pay.

Media directors and associate directors in the nation's largest agencies earn far more than their peers in smaller agencies. In the four smallest agency-size groups, media directors earned paychecks averaging $27,000, $34,000, $45,900, and $59,800; in the largest agencies, their total cash jumped to an average of $104,200.

For broadcast production heads, like media specialists, the big money lies in the big agencies. In agencies billing up to $10 million, broadcast managers earned about $21,000 to $22,000; in the $25 million-to-$100 million group, their total cash just about doubled, to $43,900; in the largest agencies, paychecks for broadcast chiefs nearly doubled again, to an average of $86,200.

The producer position is found primarily in agencies billing more than $25 million. In the $25 million-to-$100 million size group, producers earn an average of $40,900; in the largest agencies, producers make $57,600.

Market research heads earn solid paychecks in agencies of every size: their total cash started at an average of $31,000 in the smallest agencies and climbed to a peak of $64,600 in agencies billing $25 million to $100 million. About one of every three market research heads (33%) earned a bonus averaging 8% of base pay, equal to about one month's salary.

Average total cash for public relations managers started at $31,200 in the smallest agencies. In the three size groups of agencies billing $5 million to $100 million, average paychecks for PR managers varied by less than $2,000, in a range of $47,400 to $49,000.

In the largest agencies, the PR chief earned an average of $68,800.

Some 29% of the PR managers earned bonuses totaling 8% of base pay.

The human resource director, a position found primarily in the larger agencies (over two-thirds reported work in agencies billing more than $25 million). Average total cash pay for human resource directors starts at $21,500 in the smallest shops and jumps into the $34,000-to-$38,000 range in agencies with billings between $5 million and $100 million. In the largest agencies, broader responsibilities offer a huge jump in compensation: their total pay soars to an average of $82,700.

Traffic managers earn an average of $20,500 in the smallest agencies and about twice that amount—$41,900—in the largest agencies. Although traffic managers are not among the industry's top earners, the highest-paid traffic boss in this survey gets $125,000.#

Ben Cole is president-founder of Cole Surveys, Boston, and VP-director of the company's parent, the Wyatt Co. Cole was established in 1956 and is a leader in the compensation survey field. Wyatt is an international benefits, compensation and risk-management consulting company with offices in more than 50 cities in the U.S., Canada and overseas. Matt Sizing is senior writer and editor at Cole.

Base salary increases* / Bonuses**

Billings size	Percent receiving an increase	Average increase for those who received one	Percent receiving a bonus	Bonus as a percent of base salary
Up to $5 million	69.2%	14.6%	25.2%	17.8%
$5-10 million	66.7	16.6	26.5	22.9
$10-25 million	72.1	12.4	19.3	25.4
$25-100 million	77.1	12.2	31.6	19.9
Over $100 million	87.3	13.6	19.7	15.9
All agencies	74.7%	13.4%	23.7%	18.9%

*From October 1, 1986, to October 1, 1987. **Paid in 1987 for the previous year's performance.
Source: ©1988 by Cole Surveys Inc.

Chief executive perquisites

Percent receiving

Billings size	Incentive plan payout	Company car	Supplemental medical insurance	Pension	Supplemental retirement	Stock option
Up to $5 million	30%	70%	46%	21%	5%	9%
$5-10 million	52	77	46	40	17	17
$10-$25 million	40	79	26	35	9	12
$25-100 million	42	86	39	29	7	29
Over $100 million	75	77	46	39	23	39
All agencies	39%	75%	42%	28%	8%	14%

Source: ©1988 by Cole Surveys Inc.

Respondents by region

	% of total
East	29.6%
South	18.5%
Midwest	33.5%
West	18.4%

Source: ©1988 by Cole Surveys Inc.

Nothing average about bonuses

BOSTON—In advertising and other major industries, bonuses are often the wild card of compensation. Huge bonus checks account for some of the largest pay hikes reported this year—so large, in fact, that nine increases of 75% or more were excluded from the averages to avoid distorting the results for all employees.

For example, in last year's survey, the ceo of a midsize independent agency earned a $19,500 bonus on top of a $100,000 base salary, or total cash of $119,500.

This year, the same ceo collected a $400,000 bonus—more than 20 times larger than the previous year's—and a $150,000 salary, raising his total pay to $550,000—an increase of 360%.#

Whirlpool is tops in ad efficiency

By R. CRAIG ENDICOTT

Whirlpool Corp. blew past other leading national advertisers in ADVERTISING AGE's first advertising efficiency rating report by boosting sales per $1 of advertising 87.6% in the fourth quarter 1987 compared with the corresponding period in 1986.

Ad efficiency, a critical measurement in determining the effectiveness of a marketing strategy, is derived from dividing a company's U.S. sales by its U.S. measured media, resulting in sales per ad dollars.

The AD AGE survey, to run quarterly, found that 58 of the 100 companies surveyed improved their ad efficiency, although 37 of these big spenders boosted efficiency by reducing advertising as sales improved—Whirlpool among them.

Whirlpool's ad efficiency for the quarter was $121.19, up from $64.61. This compares with a 9.3% increase averaged by the 100 companies charted, or $89.22 in 1987, up from $81.65 in 1986.

Chrysler Corp. led a select group of only 16 advertisers who grew in efficiency *and* increased advertising. Chrysler's ad efficiency improved 24.8% in the two measured quarters as its sales expanded 37% on a 9.8% growth in advertising.

In the aggregate, measured advertising for the 100 increased 3.5% to $3.6 billion and sales expanded 8.6% to $247.1 billion. Lower measured advertising was reported by 52 companies, 85 increased sales and 42 improved their ad-to-sales ratio —a flipside of ad efficiency.

The efficiency swing at Whirlpool resulted from a 45% decline in measured advertising and a 3.1% growth in revenues between the comparable quarters. Ad spending dropped at the Benton Harbor, Mich.-based company when it diverted advertising budgeted for the period to the second and third quarters to back its new "100% Customer Commitment" product guarantee for Whirlpool and KitchenAid lines, according to the company.

Texas Air Corp. and Kraft Inc. actually had greater movement in efficiency between the two quarters. Texas Air grew 194.3% but its comparable results were distorted by the inclusion of Eastern Airlines in only the fourth quarter 1987. Eastern was purchased at the end of 1986. Kraft's efficiency growth of 102.9% was distorted by heavy acquisitions in the foodservice industry that boosted sales 28%.

Measuring ad efficiency is not a perfect science. Quarterly measured spending is available in only eight major media, although that media represented 91.9% of all measured media of AA's 200 leading national advertisers in 1987. *(See chart footnotes for media used.)*

There naturally is a bias against other media forms and below-the-line spending.

Most companies on the chart were AA's 100 Leaders in 1987. AA dipped into the Second 100 to replace the private companies and the foreign-based companies in the top 100 that do not issue quarter financial reports.

Seventy of the 100 companies charted obtain revenue from outside the U.S. But quarterly statements, unlike annual reports, do not break out sales on a geographic basis. In these cases, U.S. sales were estimated by applying the U.S. share of worldwide returns in 1986.

For the few that do not regionalize financial returns, AA estimated U.S. sales after consulting the companies. The fourth quarter used for this report is October-December, or the fiscal period of a company that approximates this time frame.#

Revenues per $1 in advertising expenditures for 100 leading national advertisers

Primary business	Advertiser	U.S. ad spending 1987	U.S. ad spending 1986	U.S. 4th qtr. sales 1987	U.S. 4th qtr. sales 1986	Sales per $1 advertising 1987	Sales per $1 advertising 1986	% chg.
AIRLINES	Texas Air Corp.	$6,491	$10,073	$2,078,554	$1,096,023	$320.25	$108.81	194.3%
	AMR Corp.	12,153	13,067	1,694,700	1,349,100	139.45	103.25	35.1%
	Allegis Corp.	19,890	14,834	2,100,000	2,536,000	105.58	170.96	-38.2%
	Delta Air Lines	17,955	15,435	1,614,856	1,137,150	89.94	73.67	22.1%
	Trans World Airlines	8,667	7,787	638,629	570,087	73.68	73.21	0.6%
APPLIANCES	General Electric Co.	29,277	27,262	10,962,760	11,183,880	374.10	409.51	-8.6%
	Xerox Corp.	11,450	10,087	2,940,000	2,590,000	256.77	256.76	0.0%
	International Business Machines	36,622	42,782	8,824,900	8,305,500	240.96	194.23	24.1%
	Hewlett-Packard Co.	6,629	5,458	1,183,680	939,600	178.57	172.15	3.7%
	Whirlpool Corp.	8,022	14,594	972,100	942,900	121.18	64.61	87.6%
	Matsushita Electric Industrial Co.	15,349	26,141	1,401,010	1,302,860	91.28	49.84	83.1%
	Eastman Kodak Co.	30,222	33,100	2,302,800	2,682,800	76.20	81.05	-6.0%
	Philips N.V.	27,267	26,488	1,151,400	1,288,200	42.23	48.63	-13.2%
	Tandy Corp.	29,816	29,906	1,120,580	1,028,560	37.58	34.39	9.3%
	Polaroid Corp.	16,522	11,156	300,133	301,254	18.17	27.00	-32.7%
AUTO	Ford Motor Co.	108,692	112,534	15,040,000	13,040,000	138.37	115.88	19.4%
	General Motors Corp.	225,983	166,480	23,476,420	22,719,030	103.89	136.47	-23.9%
	Chrysler Corp.	118,287	107,726	6,976,060	5,090,540	58.98	47.25	24.8%
CHEMICALS	Mobil Corp.	11,550	11,650	5,794,940	4,625,000	501.74	396.99	26.4%
	E.I. du Pont de Nemours & Co.	25,705	29,999	5,479,290	4,507,130	213.18	153.58	38.8%
	Monsanto Co.	7,460	9,731	1,236,820	1,051,900	165.80	108.09	53.4%
	Goodyear Tire & Rubber Co.	12,963	13,045	1,679,360	1,498,240	129.55	114.86	12.8%
	Dow Chemical Co.	13,873	15,753	1,654,620	1,283,860	119.27	81.50	46.3%
	American Cyanamid Co.	13,596	9,163	676,698	626,736	49.77	68.40	-27.2%
ENTERTAINMENT	Gulf & Western Industries	11,343	9,186	1,365,820	950,340	120.41	103.45	16.4%
	Capital Cities/ABC	14,490	11,291	1,408,139	1,187,324	97.18	105.16	-7.6%
	Warner Communications	10,318	10,568	846,600	682,260	82.05	64.56	27.1%
	CBS Inc.	11,615	12,685	672,510	691,650	57.90	54.52	6.2%
	Time Inc.	35,519	35,186	1,081,100	977,550	30.44	27.78	9.6%
	MCA Inc.	21,887	15,013	532,780	507,485	24.34	33.80	-28.0%
	Walt Disney Co.	32,079	23,570	734,600	660,900	22.90	28.04	-18.3%
FOOD	Borden Inc.	7,282	4,197	1,461,240	1,098,360	200.68	261.70	-23.3%
	Geo. A. Hormel & Co.	6,463	5,071	554,867	440,480	85.85	86.86	-1.2%
	Castle & Cooke	3,348	1,442	286,898	281,348	85.70	195.06	-56.1%
	Kraft Inc.	36,719	58,384	2,065,600	1,619,200	56.25	27.73	102.8%
	IC Industries	18,454	23,407	1,025,280	922,040	55.56	39.39	41.0%
	CPC International	7,474	7,523	362,681	444,666	48.52	59.11	-17.9%
	RJR Nabisco	115,141	118,452	4,419,000	4,217,000	38.38	35.60	7.8%
	Sara Lee Corp.	59,846	53,496	2,247,400	2,028,100	37.55	37.91	-0.9%
	Philip Morris Cos.	164,904	202,006	4,874,160	4,521,570	29.56	22.38	32.1%
	Hershey Foods Corp.	23,545	21,459	665,719	614,971	28.27	28.66	-1.3%
	Ralston Purina Co.	54,989	56,264	1,323,450	1,285,200	24.07	22.06	9.1%
	H.J. Heinz Co.	29,176	22,458	701,680	660,276	24.05	29.40	-18.2%
	Pillsbury Co.	77,516	78,497	1,516,500	1,424,700	19.56	18.15	7.8%
	Campbell Soup Co.	63,260	57,765	1,095,602	1,023,852	17.32	17.72	-2.3%
	General Mills	99,508	88,764	1,511,700	1,334,700	15.19	15.04	1.0%
	Quaker Oats Co.	71,669	66,185	896,440	791,320	12.51	11.96	4.6%
	Kellogg Co.	85,025	57,098	656,200	550,324	7.72	9.64	-19.9%
	Wm. Wrigley Jr. Co.	29,196	39,935	130,901	117,207	4.48	2.93	52.8%
MISCELLANEOUS	Greyhound Corp.	5,168	7,523	714,614	559,004	138.27	74.31	86.1%
	American Express Co.	30,994	27,587	3,469,230	3,289,410	111.93	119.24	-6.1%
	Hasbro Inc.	64,241	61,492	276,232	261,924	4.30	4.26	0.9%
PHARMACEUTICALS	Pfizer Inc.	28,095	21,272	701,360	639,585	24.96	30.07	-17.0%
	Johnson & Johnson	55,566	70,537	1,155,960	995,220	20.80	14.11	47.4%
	Bristol-Myers Co.	50,470	42,263	979,200	864,000	19.40	20.44	-5.1%
	Sterling Drug	21,038	18,360	373,212	329,868	17.74	17.97	-1.3%
	Carter-Wallace	5,105	5,662	88,062	80,574	17.25	14.23	21.2%
	American Home Products	54,997	55,728	909,750	894,750	16.54	16.06	3.0%
	Schering-Plough Corp.	25,169	14,278	358,290	324,054	14.24	22.70	-37.3%
	Warner-Lambert Co.	53,058	52,423	509,407	455,056	9.60	8.68	10.6%
RESTAURANTS	Jerrico Inc.	6,734	7,849	158,772	143,704	23.58	18.31	28.8%
	Wendy's International	17,059	20,803	254,016	265,949	14.89	12.78	16.5%
	McDonald's Corp.	102,099	84,133	699,060	586,784	6.85	6.97	-1.8%
RETAIL	American Stores Co.	11,224	9,750	3,811,921	3,687,600	339.61	378.22	-10.2%
	Wal-Mart Stores	15,262	17,774	5,000,240	3,845,539	327.62	216.36	51.4%
	Kroger Co.	13,957	13,324	4,408,305	4,376,257	315.86	328.45	-3.8%
	May Department Stores Co.	13,220	16,096	3,344,000	3,403,000	252.95	211.39	19.7%
	Federated Department Stores	14,053	14,886	3,551,200	3,440,000	252.70	231.09	9.4%
	F.W. Woolworth Co.	7,481	11,261	1,817,940	1,656,400	242.99	147.09	65.2%
	Sears, Roebuck & Co.	68,800	71,626	14,050,000	12,969,700	204.81	181.08	13.1%
	K mart Corp.	39,719	30,328	7,754,000	7,352,000	195.22	242.42	-19.5%
	Dayton Hudson Corp.	20,812	17,942	3,679,100	3,115,500	176.78	173.64	1.8%
	J.C. Penney Co.	29,541	26,662	4,745,280	4,789,440	160.63	179.64	-10.6%
	VF Corp.	9,928	7,012	576,808	420,433	58.09	59.96	-3.1%
SOAPS	Colgate-Palmolive Co.	18,610	28,551	732,500	624,500	39.36	21.87	79.9%
	Clorox Co.	10,230	11,222	214,600	207,100	20.98	18.45	13.7%
	Procter & Gamble Co.	229,385	230,360	3,339,600	3,194,400	14.56	13.87	5.0%
	Unilever N.V.	81,798	83,506	1,185,660	1,194,840	14.50	14.31	1.3%
SOFT DRINKS	PepsiCo	100,490	77,395	3,015,420	2,640,450	30.01	34.12	-12.0%
	Coca-Cola Co.	37,766	38,133	936,240	808,887	24.79	21.21	16.9%
TELEPHONE	ITT Corp.	10,266	5,228	3,952,000	3,572,000	384.98	683.24	-43.7%
	Pacific Telesis Group	7,414	11,165	2,415,000	2,187,400	325.74	195.92	66.3%
	Ameritech	7,656	7,701	2,447,900	2,375,400	319.75	308.47	3.7%
	BellSouth Corp.	11,517	12,565	3,170,000	3,820,000	275.26	304.01	-9.5%
	GTE Corp.	15,001	13,842	3,871,086	3,794,174	258.05	274.11	-5.9%
	Southwestern Bell Corp.	9,787	7,325	2,152,700	2,014,700	219.96	275.05	-20.0%
	Bell Atlantic Corp.	14,541	14,104	2,603,300	2,602,700	179.03	184.54	-3.0%
	Nynex Corp.	17,856	12,285	3,103,400	2,956,000	173.80	240.61	-27.8%
	MCI Communications	9,256	8,826	1,038,000	920,000	112.14	104.24	7.6%
	American Telephone & Telegraph	97,412	92,673	8,345,880	8,273,130	85.68	89.27	-4.0%
	U.S. Sprint Communications	9,411	13,586	746,000	589,000	79.27	43.35	82.8%
TOBACCO	Loews Corp.	15,318	20,066	1,947,604	1,813,035	127.16	90.35	40.7%
	American Brands	18,580	14,446	768,700	623,900	41.37	43.19	-4.2%
TOILETRIES	Gillette Co.	17,121	16,253	337,857	308,334	19.73	18.97	4.0%
	Alberto-Culver Co.	8,029	7,915	104,130	87,906	12.97	11.11	16.8%
	Noxell Corp.	17,454	12,665	100,423	95,371	5.75	7.53	-23.6%
WINE, BEER & LIQUOR	Seagram Co. Ltd.	20,723	16,853	629,125	550,670	30.36	32.68	-7.1%
	Anheuser-Busch Cos.	93,927	103,808	2,217,896	2,097,924	23.61	20.21	16.8%
	Brown-Forman Corp.	14,502	14,499	307,961	300,158	21.24	20.70	2.6%
	Adolph Coors Co.	26,420	18,874	293,152	275,926	10.31	14.62	-29.4%

NOTES: Dollars are in thousands except revenues per $1 in ad spending which are in real dollars.

Sources: Fourth quarter ad spending from Broadcast Advertisers Reports/Leading National Advertisers and Radio Expenditure Reports. Figures include magazine and newspaper spending from Publishers Information Bureau as reported by LNA; spot TV, network TV, cable TV networks and network radio spending as reported by BAR; outdoor spending as reported by LNA, and spot radio spending as reported by Radio Expenditure Reports. Revenues are for U.S. sales only and are AA estimates based on worldwide fourth quarter revenues and annual U.S. revenues as a percent of worldwide revenues. (See story at left.)

AA chart: Kevin Brown. Compiled by Tony Ralenkotter

Special Report

THE NATION'S TOP 50

MARKETING/ ADVERTISING RESEARCH COMPANIES

RESEARCH BUSINESS REVIEW

AVID Productions

Top 50 researchers' 'real growth' tops 13%

By Jack J. Honomichl

Top-line data from this, the 14th Annual Industry Review compiled exclusively for ADVERTISING AGE, indicate that 1987 was an extraordinary growth year, with revenues up 16.8% from 1986.

However, closer analysis of revenue gains, 1987 over 1986, for 136 marketing, advertising and public opinion research companies, reveals a healthy but not extraordinary growth rate.

The main element in this analysis comes from the 1986-87 revenue records of 50 leading U.S. research organizations, which in aggregate had worldwide revenues of $2,308,600,000 in 1987, up 16.8%. After adjustment for inflation (3.6% according to the U.S. Department of Labor Consumer Price Index-U, monthly average), this boils down to a "real growth" rate of 13.2%.

Of this $2.3 billion, however, $734.1 million, or 31.8%, came from operations outside the U.S., and to that extent the Top 50 growth rate was hyped by the declining value of the dollar vis-a-vis most major foreign currencies. This makes the Top 50 growth rate, when expressed in U.S. dollars, appear significantly higher than it was.

When these giant operations —A.C. Nielsen Co., IMS International, Research International, MRB Group and Louis Harris & Associates—with a major share of revenues coming from outside the U.S. are subtracted out, the remaining 45 top companies show a growth rate of 11.1%, or 7.5% after adjustment for inflation.

■ *But operations outside U.S. make numbers appear higher because of weaker dollar*

Another set of depreciating data comes from the Council of American Survey Research Organizations. The $204.9 million reported by 86 CASRO members not included in the Top 50 listing represented a 7.0% gain over 1986, or 3.4% after inflation adjustment.

To arrive at a realistic indication of the 1987 growth rate of domestic-only U.S. research industry, subtract out the five big overseas operations and then add in the CASRO numbers, making a base of 136 companies that get almost all their revenues from within the U.S. The result is a growth rate of 10.5%, or 6.9% after inflation adjustment. This is a healthy growth rate by any standard, and especially good when compared with that of the Top 50 U.S. advertising agencies *(see story below)*.

This year's listings grew to 50 companies despite the loss of three—SAMI/Burke and Decisions Center (which had line identity last year but are now included via acquisition in new listings, namely Arbitron/SAMI/Burke and Research International) and Ehrhart-Babic Group, which chose not to participate. Newcomers in 1987 include Pharmaceutical Data Services, Conway/Milliken, CLT Research, Cambridge Reports, Directions for Decisions, Vanderveer Group and Research International.

As in previous years, the 1987 revenues for each top organization are actual and may include revenues gained from acquisitions during the year, as explained in the profiles that follow. Their growth rates, however, have been calculated on a comparable base from year to year. So, if company A bought company B anytime during 1987, company A's growth rate is calculated on its total revenues for 1987, plus those of company B for the whole year, vis-a-vis the same base in 1986. If this procedure were not followed, the industry growth rate would appear to be much higher, but would be to some degree merely a reflection of acquired revenues.

Also, as in past listings, the revenues for the Top 50 are for research activities only; certain companies, as explained in individual company profiles, have significant additional revenues from non-research areas.

A top executive of Dun & Bradstreet is quoted privately as saying, "We want to be the IBM of the marketing information industry." A big step toward that goal of worldwide dominance took place in 1984 when D&B acquired A.C. Nielsen Co. *(see Page S-18)*. Then in 1987, D&B tried to acquire Information Resources Inc., a move thwarted by the FTC, which cited restraint of trade. Last Feb. 8, D&B announced its intention to acquire IMS International (No. 3) for about $1.77 billion, which would be the largest marketing service company acquisition in history.

Assuming that the IMS acquisition goes through later this spring as expected, D&B would control about $1,062,600,000 in research revenues around the world. That's nearly one and one-half times the revenues of the worldwide revenues of Young & Rubicam, the largest U.S. advertising agency.

There's no question that research is big international business. Of the Top 50 companies listed this year, six are either partly or wholly owned by European companies; two others, while registered U.S. corporation, in fact have their top management in London.

The company-by-company profiles that follow *(on Page S-8)* detail the operations of each of 1987's Top 50, major changes that took place during 1987, and their expansion plans for the remainder of 1988.

Jack J. Honomichl is ADVERTISING AGE'S *research columnist.*

Growth comparisons explain buys

The 50 largest U.S. advertising agencies had gross worldwide revenues of $8,449,000,000 in 1987, according to the recent U.S Advertising Agency Profiles in ADVERTISING AGE. This was an increase of 13.7%; 42% of those revenues came from outside the U.S.

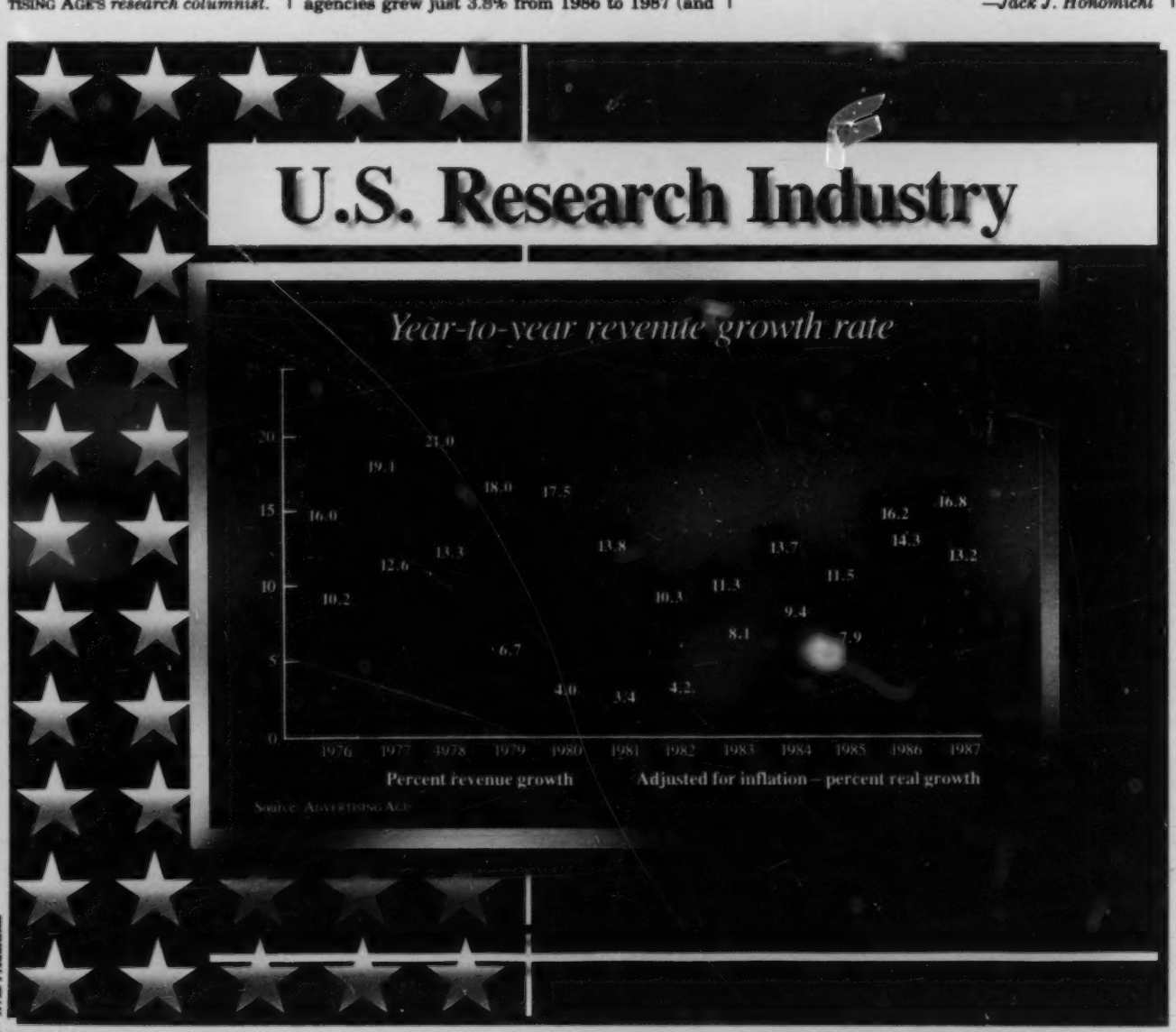
The Top 50 research agencies had worldwide gross revenues of $2,308,600,000 in 1987, up 16.8% from 1986; 31.8% of those revenues came from outside the U.S.

In both cases, the growth rate was hyped by the weakening U.S. dollar vis-a-vis most major currencies in the world, and especially the U.K., West Germany and Japan. The growth rates are far different when we look at U.S. revenues only. On this basis, the 50 largest advertising agencies grew just 3.8% from 1986 to 1987 (and only 0.2% after adjustment for inflation), and the Top 50 research agencies grew about 10.9%, or 7.3% after adjustment for inflation.

It should be noted that these are not pure apple-to-apple comparisons. The advertising agency revenues in many cases include non-advertising activities, such as public relations, research or direct-marketing subsidiaries. In the case of the Top 50 research organizations, every attempt has been made to screen out non-research activities.

These growth comparisons help explain why some major advertising agencies—notably Saatchi & Saatchi, Ogilvy Group and WPP Group—have been acquiring large research operations and why the financial community is so bullish on marketing information as a growth industry.

—Jack J. Honomichl



AVID Productions

Data bank—Research Business Review

Top 50 U.S. research organizations

Rank 1987	Rank 1986	Organization	Address/ phone	Total research revenues* ($ in millions)	Percent change from 1986**	Revenues and % from outside U.S. ($ in millions)	
1	1	A.C. Nielsen Co.	Nielsen Plaza, Northbrook, Ill. 60062, 312/498-6300	$765.0***	17.6%***	$459.0***	60.0%***
2	4/3	Arbitron/SAMI/Burke†	8100 34th Ave. South, Minneapolis, Minn. 55440-4700, 612/853-8100	325.0	6.2	3.0	.9
3	2	I.M.S. International Inc.	800 Third Ave., New York, N.Y. 10022, 212/371-2310	297.6	21.3	152.1***	51.0***
4	5	Information Resources Inc.	150 N. Clinton St., Chicago, Ill. 60606, 312/726-1221	105.5	12.7	6.9	6.5
5	—	Research International Ltd.	17a Great Peter St., London SW1P 2BX, England, 01/799/2363	89.6	24.0	72.4	80.8
6	11	WESTAT	1650 Research Blvd., Rockville, Md. 20850-3129, 301/251-1500	61.3	74.3	N/A	N/A
7	6	MRB Group Inc.	380 Madison Ave., New York, N.Y. 10017, 212/916-8985	61.1	14.9	26.3	43.0
8	7	M/A/R/C Inc.	7850 North Belt Line Rd., Irving, Texas 75063, 214/506-3400	50.3	5.9	N/A	N/A
9	8	NFO Research Inc.	2 Pickwick Plaza, Greenwich, Conn. 06830, 203/629-8888	38.9	6.0	N/A	N/A
10	12	Maritz Marketing Research	1395 N. Highway Drive, Fenton, St. Louis County, Mo. 63026, 314/225-2325	38.0	11.5	N/A	N/A
11	9	Market Facts Inc.	676 N. St. Clair St., Chicago, Ill. 60611, 312/280-9100	37.4	3.8	N/A	N/A
12	13	Elrick and Lavidge Inc.	10 S. Riverside Plaza, Chicago, Ill. 60606, 312/726-0666	28.8	7.9	N/A	N/A
13	10	NPD Group	900 W. Shore Road, Port Washington, N.Y. 10050-0402, 516/625-0700	25.7	18.2	0.6	2.3
14	14	Yankelovich Clancy Shulman	8 Wright St., Westport, Conn. 06880, 203/227-2700	24.0	13.4	N/A	N/A
15	16	Chilton Research Services	1 Chilton Way, Radnor, Penn. 19089-0193, 215/964-4606	21.2	8.7	N/A	N/A
16	15	Walker Research Inc.	3939 Priority Way South Drive, Indianapolis, Ind. 46280-0432, 317/843-3939	20.1	-5.6	N/A	N/A
17	19	Louis Harris and Associates	630 Fifth Ave., New York, N.Y. 10111, 212/698-9600	18.6	20.0	10.6	57.0
18	17	ASI Market Research Inc.	79 Fifth Ave., New York, N.Y. 10003, 212/807-9393	16.7	-2.3	N/A	N/A
19	20	Opinion Research Corp.	419 N. Harrison St., Princeton, N.J. 08542-0183, 609/924-5900	15.7	3.3	N/A	N/A
20	23	Harte-Hanks Marketing Services	65 Route 4, River Edge, N.J. 07661-1924, 201/342-6400	14.7	20.5	N/A	N/A
21	22	National Analysts	400 Market St., Philadelphia, Pa. 19106, 215/627-8110	14.5	17.9	N/A	N/A
22	—	Pharmaceutical Data Services	9060 E. Via Linda, Scottsdale, Ariz. 85258-5499, 602/391-4731	14.0	48.0	N/A	N/A
23	28	Decision Research Corp.	33 Hayden Ave., Lexington, Mass. 02173, 617/861-7350	13.0	32.7	N/A	N/A
24	33	National Research Group Inc.	7046 Hollywood Blvd., Los Angeles, Calif. 90028, 213/856-4400	11.5	29.2	1.8	15.7
25	26	Custom Research Inc.	10301 Wayzata Blvd., Minneapolis, Minn. 55426-0695, 612/542-0800	11.4	9.6	N/A	N/A
26	41	Birch/Scarborough Research	12350 39th St., Coral Springs, Fla. 33065-2404, 305/753-6043	11.2	34.9	N/A	N/A
27	24	Mediamark Research Inc.	341 Madison Ave., New York, N.Y. 10017, 212/599-0444	11.2	12.2	N/A	N/A
28	32	Starch INRA Hooper Inc.	566 E. Boston Post Road, Mamaroneck, N.Y. 10543, 914/698-0800	11.0	20.9	1.4	12.7
29	25	Data Development Corp.	600 Third Ave., New York, N.Y. 10016, 212/867-2440	10.8	2.9	N/A	N/A
30	29	The Gallup Organization Inc.	53 Bank St., Princeton, N.J. 08542, 609/924-9600	10.1	3.5	N/A	N/A
31	31	Admar Research Inc.	304 Park Avenue South, New York, N.Y. 10010, 212/677-1700	9.6	2.1	N/A	N/A
32	34	McCullom/Spielman Research	235 Great Neck Road, Great Neck, N.Y. 11021, 516/482-0310	8.7	3.6	N/A	N/A
33	30	Market Opinion Research	243 West Congress, Detroit, Mich. 48826, 313/963-2414	8.5	-8.5	N/A	N/A
34	35	Guideline Research Corp.	3 W. 35th St., New York, N.Y. 10001, 212/947-5140	8.5	13.3	N/A	N/A
35	36	Response Analysis	377 Wall St., Princeton, N.J. 08542, 609/921-3333	8.0	16.4	N/A	N/A
36	27	Wirthlin Group	1363 Beverly Road, McLean, Va. 22101, 703/556-0001	8.0	-23.1	N/A	N/A
37	37	J.D. Power & Associates	30401 Agoura Road, Agoura Hills, Calif. 91301, 818/889-6330	7.6	24.6	N/A	N/A
38	44	Lieberman Research West	1900 Avenue of the Stars, Los Angeles, Calif. 90067, 213/553-0550	6.9	28.2	N/A	N/A
39	38	Ad Factors/Millward Brown Inc.	751 Roosevelt Road, Glen Ellyn, Ill. 60137, 312/858-3760	6.6	11.9	N/A	N/A
40	45	Kapuler Marketing Research	3436 N. Kennicott Ave., North Arlington Atrium, Arlington Heights, Ill. 60004 312/870-6700	6.6	29.4	N/A	N/A
41	39	Marketing Research Services Inc.	15 E. Eighth St., Cincinnati, Ohio 45202, 513/579-1555	6.4	10.3	N/A	N/A
42	—	Conway/Milliken & Associates	John Hancock Center, 875 N. Michigan Ave., Chicago, Ill. 60611, 312/787-4060	6.0	7.6	N/A	N/A
43	—	Vanderveer Group	555 Virginia Drive, Fort Washington, Pa. 19034, 215/646-7200	5.8	34.9	N/A	N/A
44	46	Total Research Corp.	Princeton Corporate Center, 5 Independence Way, Princeton, N.J. 08540, 609/921-8100	5.6	11.4	N/A	N/A
45	42	Newman-Stein Inc.	902 Broadway, New York, N.Y. 10010, 212/777-2700	5.5	3.8	N/A	N/A
46	—	CLT Research Associates Inc.	600 Third Ave., New York, N.Y. 10016, 212/661-7870	5.4	7.0	N/A	N/A
47	—	Directions For Decisions Inc.	99 Madison Ave., New York, N.Y. 10016, 212/683-9595	5.4	10.2	N/A	N/A
48	—	Cambridge Reports Inc.	675 Massachusetts Ave., Cambridge, Mass. 02139, 617/661-0110	5.2	14.4	N/A	N/A
49	43	Field Research Corp.	234 Front St., San Francisco, Calif. 94111, 415/392-5763	5.2	2.0	N/A	N/A
50	40	Oxtoby-Smith Inc.	150 E. 58th St., New York, N.Y. 10155, 212/421-6100	5.1	-12.1	N/A	N/A
			Subtotal, top 50	$2,308.6	16.8	$734.1	31.8
			All other (86 CASRO member companies not included in top 50)	204.9††	7.0		
			Total (136 organizations)	$2,513.5	16.0		

*Total revenues that include non-research activities, for some companies, are significantly higher. This information is given in the individual company profiles in the main article.

**Rate of growth from year to year has been adjusted so as not to include revenue gains from acquisitions. See main article for explanation.

***Estimate.

†In 1986, Arbitron Ratings Co. ranked 4th; SAMI/Burke ranked 3rd.

††Total revenues of 86 survey research firms—over and beyond those listed in top 50 list—that provide financial information, on a confidential basis, to the Council of American Survey Research Organizations (CASRO).

Source: Jack Honomichl survey for ADVERTISING AGE

Top 50 research companies profiled

39 **Ad Factors/Millward Brown**, Glen Ellyn, Ill. Founded 1975; since 1986, a wholly owned subsidiary of Millward Brown PLC, Leamington, England. Revenues in 1987 were $6.6 million, up 11.9% from 1986.

AF/MB specializes in custom consumer and industrial survey research through client service offices in Glen Ellyn, Monroe, Conn., and Riverside, N.J. There are central telephone interviewing operations in each of those offices plus others in Rockford, Ill., and Racine, Wis. AF/MB has more than 275 WATS stations, of which 132 are CRT-equipped. The company has 350 employees, 60 of whom are full-time salaried.

During 1987, AF/MB began marketing the Advanced Tracking Program, a common methodology in the U.K. that uses continuously collected data to model advertising awareness.

The model is designed to separate the effects of creative content from media weight.

President-ceo of AF/MB is Robert D. Meyers, 39.

31 **Admar Research**, New York. Founded in 1960; since 1985 a wholly owned subsidiary of Sprigg Lane Investment Co.

Revenues in 1987 were $9.6 million, up 2.1% from 1986.

Revenues include those from two field affiliates, Market Trends Inc. and Survey Research Inc. During 1987, a new central telephone facility was opened in Charlottesville, Va., to raise the number of interviewing stations to 55.

Admar specializes in tracking surveys, product testing and advertising studies employing copyrighted methodologies. There are 55 full-time employees.

Chairman-president is Henry D. Ostberg.

2 **Arbitron/SAMI/Burke**, Minneapolis. Units within Business Services Group of Control Data Corp.; '87 revenues are estimated at $325 million, up about 6.2% from '86. These do not include Broadcast Advertisers Reports and its Radio-TV Reports subsidiary acquired by Arbitron in 1987.

This conglomerate includes Arbitron Ratings Co., founded in 1949 and since 1967 a wholly owned subsidiary of CDC; SAMI/Burke, an organization created by the merger in 1986 of Selling Areas-Marketing Inc., founded in 1966; and Burke Marketing Services, founded in 1931, which was then acquired by CDC from Time Inc. in December, 1987. The growth rate is calculated on a common base, 1986 to 1987.

Arbitron produces radio, television and cable audience studies at the local-market level using mail diaries, or panels of meter-equipped or people meter-equipped households. Audience data are provided for 213 TV markets (ADIs), 13 of which are measured by a combination of meters and diaries, and one of which—Denver—is measured by a people meter service, ScanAmerica. TV reports account for about 52% of Arbitron's revenues.

The balance comes from measurement of 259 radio markets, with year-around audience ratings in 79 markets. In 1987, Arbitron redesigned its local-market reports to contain data on listening locations and audience location.

Arbitron has 1,673 full-time employees in 29 U.S. locations and a central telephone interviewing facility in Laurel, Md., which has 55 stations. The SAMI/Burke operation includes six units.

SAMI provides product movement reports in 54 SAMI-defined marketing areas based on warehouse withdrawal data from supermarket, drugstore and mass merchandisers.

Samscan, a new product tracking service, is based on panels of UPC-equipped grocery stores in 48 major markets.

Bases offers market modeling services to support product, promotion, advertising and competitive strategy decisions. Two new services, Coupon Advantage and Deal Advantage, help marketers evaluate the volume and profit impact of promotional events and provide bottom-line impact analysis of trade deals. Burke's TV copy testing group and the ScanAmerica analytical group were merged into Bases in '87.

Test Marketing Group employs the AdTel markets, controlled store testing and market models to provide a comprehensive set of test marketing services for new products, advertising, and promotion evaluation.

Burke Marketing Research, a custom, ad hoc survey division, offers consulting, comprehensive survey, and field and tab services. Burke International Research is a full-service research company coordinating custom projects in more than 40 countries. Burke Canada is a wholly owned subsidiary.

SAMI/Burke has more than 2,600 employees, of whom 1,790 are full-time and 825 are part-timers.

Arbitron is headed by Anthony J. "Rick" Aurichio, 51. SAMI/Burke is headed by Jack E. Brown, 44. Both are VPs of Control Data and report to David P. White, 50, president of CDC's Business Services Group.

18 **ASI Market Research**, New York. Founded in 1962; owned by Apollo Partners Ltd. Revenues in 1987 were $16.7 million, down 2.3% from 1986.

In December, 1987, ASI's parent, IDC Services, was acquired by Apollo partners, a private company founded by former Viacom executives. The revenue decline from 1986 is because of various operations being closed down at the end of that year. The continuing business activities described here grew about 13% from 1986 to 1987.

ASI activities are concentrated in two areas: Advertising Research, specializing in controlled audience pre-testing and on-air testing of TV commercials and testing of print ads, and Entertainment Research, specializing in evaluating entertainment projects, including pilots for TV and movie films.

ASI's TV commercial persuasion testing system, Persuasion Plus, uses as its key methodological component Tru-Share, a validated measurement of persuasive impact. As with ASI's other service, Recall Plus, this is CATV-based and operates in 11 to 15 cities. ASI's Apex system, which fuses recall, persuasion and diagnostics, is thought to be the most comprehensive TV commercial testing procedure.

ASI R&D includes two data bases, one dealing with the nature of the underlying structure of recall, and one with a means of harnessing mood and emotion in advertising. The company recently launched a new service, Attention Linkage, which is designed to diagnose and improve recall performance.

President-ceo of ASI is Gerald Lukeman, 56.

26 **Birch/Scarborough Research**, Coral Springs, Fla. Founded in 1978; majority interest owned by VNU Business Information Services, a unit of United Dutch Publishing Cos. (VNI), Haarlem, The Netherlands.

This organization, a merger of Birch Research Corp. and Scarborough Research Corp. in October, had revenues of $11.2 million in '87, up 34.9% from '86.

Birch has 120 full-time salaried employees, about 600 part-time employees.

Birch Radio, via telephone surveys, develops syndicated radio audience ratings, providing syndicated measurement in more than 240 markets, of which 101 are measured on a continuous, year-around basis. In the top 100 markets, Birch reports include qualitative, product usage and cross-media comparisons, a new development in 1987. Also in 1987, Birch started specialized ratings reports on target market segments, specifically blacks (34 markets), Hispanics (15 markets), and Airline Market Reports (101 markets).

This year is expected to see completion of the Electronic Media Ratings Council accreditation for Birch Radio, as well as the availability of several new specialized ratings services and a system, Radio SpotBuyer, for computerized pre-buy and post-buy radio audience analysis, which is a cooperative venture with Nielsen Media Research (No. 1 in these rankings).

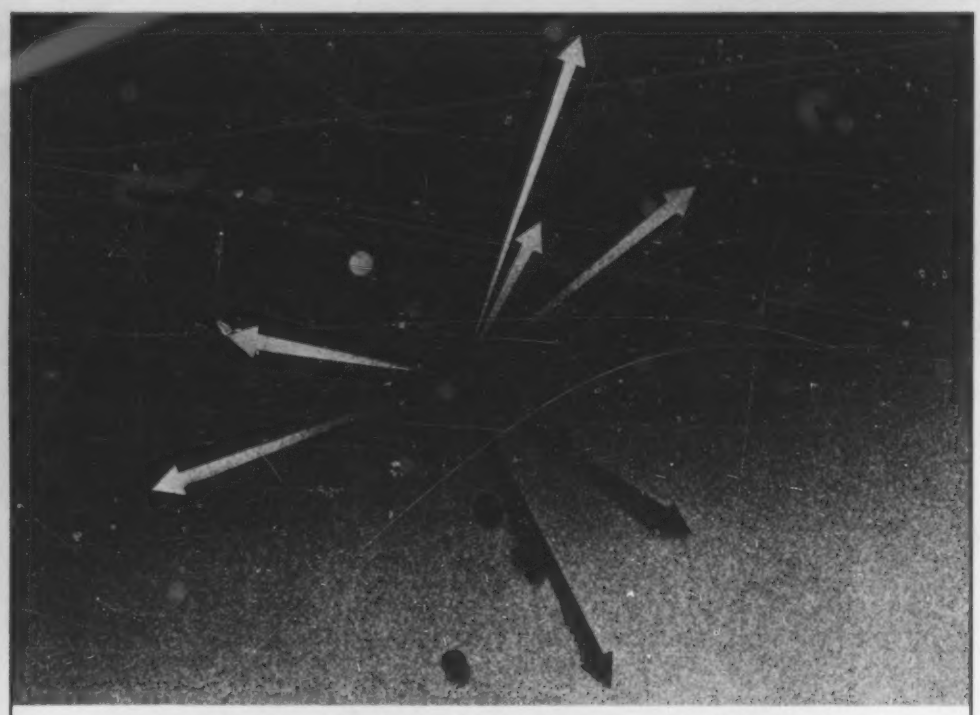
The Scarborough Research Division completed five of its Top 10 market multimedia Scarborough reports in '87 and plans completion of the others in mid-1988. Also, Birch/Scarborough will offer a new single-source, multimedia study, the Multi-Media Consumer Market Profile, in the remaining Top 25 markets in 1988 (and an expansion to Top 50 markets in '89).

In addition to the home office, there are sales/marketing offices in Englewood Cliffs, N.J., Chicago, Los Angeles and Dallas. There are four central telephone survey centers in Coral Springs, Sarasota, Fla., San Antonio and Louisville.

Chairman-ceo of Birch/Scarborough is Thomas C. Birch, 35.

48 **Cambridge Reports Inc.**, Cambridge, Mass. Founded in 1974; privately held corporation. '87 revenues were $5.2 million, up 14.4% from '86. CRI specializes in syndicated and ad hoc survey research, with emphasis on regulated industries including electric and gas utilities, financial services and insurance, telecommunications and healthcare. Since 1974, CRI has done quarterly national surveys, (1,500 cases, face-to-face) measuring public perceptions, opinions and attitudes on consumer and public issues.

The results of this work form the basis of CRIndex—Cambridge Reports Consumer and Public Opinion Database, which in turn feeds three syndicated reports, Cambridge Report, Quarterly Opinion Review and Quarterly Opinion Briefing, and three publications: *Topical Reports, Opinion Leader Outlook* and *Cambridge Reports Trends & Fore-*



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casts. CRI also produces publication-based research programs for two trade associations, The Edison Electric Institute and the Insurance Information Institute.

CRI has 40 full-time salaried exempt employees. President is Gene Pokorny, 41.

15 **Chilton Research Services**, Radnor, Pa. Founded in 1957; since 1979 a wholly owned subsidiary of Capital Cities/ABC. Revenues in 1987 were $21.2 million, up 8.7% from 1986.

Chilton, whose core business is ad hoc custom marketing research, maintains specialty groups in telecommunications, computers, healthcare, financial institutions, consumer package goods, utilities and retailing. There are in-house capabilities for modeling/forecasting and complex statistical analysis. Its polling unit conducts the ABC election polls and monthly opinion polls for ABC News.

Chilton also operates dedicated telephone interviewing centers for customer service measurement on behalf of four Bell operating companies: Ameritech, NYNEX, Bell Atlantic and SNET.

The Chilton field department yearly conducts more than 30,000 personal interviews through a national network of 1,000 field personnel. Telephone interviewing facilities are located in Radnor (86 stations), Havertown, Pa. (72 stations), and—new in 1988—Allentown, Pa. (38 stations). All are fully CATI-equipped; the CATI system incorporates on-line sample control, interactive cross tabulations and a flexible software system for computerized questionnaire development.

Vice president-general manager is Ronald Hoxter, 40.

46 **CLT Research Associates**, New York. Founded 1970; privately held corporation. Revenues in 1987 were $5.4 million, up 7% from 1956.

This full-service custom research company employs 38 full-time professionals and specializes in strategic research (segmentation, market and attitude studies). It also works in concept, advertising and product development studies, concept development, trade-off analyses, tracking, communications/persuasion, package and product optimization and legal claims research.

CLT now is involved in new forms of respondent-interactive computerized interviewing, offering instant data retrieval along with controlled interviewing environments and digital translation of concepts, storyboards or storymatic commercials.

CLT is jointly headed by President Lowell Allen, 45, and Leslie Moran, 45.

42 **Conway/Milliken & Associates**, Chicago. Founded in 1963; revenues in 1987 were $6.0 million, up 7.6% from 1986.

CMA focuses on the consumer market. Services include custom and proprietary survey research; product development support systems covering sensory and in-home testing, ingredient screening and RSM product optimization; client and consumer-based idea generation; and qualitative research services. Continuous tracking and telephone interviewing work is supported by two CRT-equipped facilities, one in Chicago (30 stations) and one in St. Louis (50 stations).

In 1987, CMA integrated and expanded its Concept Development Program, linking Super Group service idea formulation, development and refinement, Q-2 SORT concept screening and optimization, and concept-product full interaction testing.

Founder and CEO is Foy Conway, 57. Roger Ehle, 50, is president.

25 **Custom Research Inc.**, Minneapolis. Founded in 1974; privately held corporation. Revenues in 1987 were $11.4 million, up 9.6% from 1986.

This custom-survey organization has 75 full-time salaried employees (plus 175 part-timers) and is organized by divisions: Consumer Research, Medical Research Bureau, Custom Research Telephone (central telephone interviewing facility with 50 stations, all CRT-equipped), Corporate Services, Custom Research International, and Services, which specializes in financial institutions, travel/leisure, and telecommunications. This year CRI began Service Quality Audit, a joint venture with Ron Zemke, author of "Service America."

CRI has a CRT interviewing network in 58 mall locations to conduct personal interviews, and a regularly scheduled omnibus survey, Criterion, is used for concept testing. CRI is managed by two partners: Jeffery L. Pope, 47, and Judith S. Corson, 45.

29 **Data Development Corp., New York**. Founded in 1960; privately held corporation. Revenues were $10.8 million in 1987, up 2.9% from 1986.

Data Development is a full-service, custom survey organization with 74 full-time salaried employees in two offices, including DDC, New York Conference Center, The Conference Center and The Telephone Center, with 70 stations, 60 CRT-equipped. The latter two units are in New Rochelle, N.Y.

DDC does custom research with emphasis on design and analysis, such as strategy and market studies, attitude, usage and tracking studies, and concept/product and TV copy testing. Proprietary methodologies include Combo (product testing), Copy II (copy strategy), Adopter (pretest market measurement system), a joint venture with Edward Tauber of the University of Southern California, and TBE (total brand equity), a multivariate approach identifying corporate equity. Later this year, DDC will launch an omnibus study for the foodservice industry and update its Marketscore survey of the restaurant and hotel markets.

Jerry Rosenkranz, 52, is chairman and Joseph Goldstein, 52, is president-CEO.

23 **Decision Research Corp.**, Lexington, Mass. Founded in 1971; wholly owned subsidiary of Temple, Barker & Sloane. Revenues in 1987 were $13.0 million, up 32.7% from 1986.

This full-service marketing research company specializes in custom ad hoc surveys for consumer goods and business-to-business marketers. Specialization includes computer, telecommunications, professional service companies (including advertising agencies), financial, healthcare, travel and leisure, package goods, utilities, and media and direct marketing.

DRC also conducts market research training seminars emphasizing the interaction of qualitative and quantitative techniques. DRC also conducts jury simulation work for legal clients, including mock trials during which arguments and appeals are evaluated.

DRC has 60 full-time employees in two offices, Lexington, Mass., and New York. The company has a 36-station WATS central telephone interviewing facility.

General manager is Robert Duboff, 39.

47 **Directions for Decisions, New York**. Founded in 1971; privately held corporation. Revenues in 1987 were $5.4 million, up 10.2% from '86.

With 20 full-time salaried employees and 10 full-time hourly employees, this custom research company specializes in market structure and strategy studies as well as tracking studies, copy, concept and product testing and claims substantiation research.

Restructuring of DFD in 1987 included organizational changes, expansion and upgrading of its networked computer facilities, development of a data base of normative information for key decision-making measurements and installation of the Uncle Tabulation System.

Plans for 1988 include a WATS facility with 60 CRT-equipped interviewing stations and omnibus surveys for teens and senior citizens.

Chairman-CEO is Joseph F. Baldi Jr., 48. President-Chief Operating Officer is Linda Lauri.

12 **Elrick & Lavidge**, Chicago. Founded in 1951; since 1980, a wholly owned subsidiary of Equifax Inc. Revenues in 1987 were $28.8 million, up 7.9% from 1986. These revenues include those of a subsidiary, Quick Test Opinion Centers, Philadelphia, a national network of 20 mall interviewing sites, which accounts for about 40% of E&L revenues.

E&L specializes in survey research for consumer and business-to-business clients with full-service offices in Atlanta, Chicago, Cincinnati, Downers Grove, Ill., Los Angeles, Paramus, N.J. and San Francisco. These offices, along with the company's field facilities, employ a full-time salaried staff of about 225 (180 of whom are exempt), plus 750 part-time employees.

During 1987, the Quick Test subsidiary opened a new telephone interviewing center with 50 stations in Bethlehem, Pa. E&L has 200 stations; about 80% are CATI-equipped. Also, E&L continued expansion of its data processing capability in 1987, expanding its computer capacity by 40%. President is J. Edward Shrawder, 51.

49 **Field Research Corp.**, San Francisco. Founded in 1945; privately held corporation; '87 revenues were $5.2 million, up 2% from '86. This full-service, custom survey organization has 75 full-time salaried employees (18 professionals) in two offices, San Francisco and Los Angeles.

FRC clients tend to come from these fields: public utilities, oil companies, financial services, health services, consumer products

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and services, high-tech companies, print and broadcast media, retail chains, state governmental agencies and law firms. A custom designed audience measurement service for sports broadcasts on radio is subscribed to by major league sports franchises around the U.S.

The Field Institute, an FRC division, publishes the California Poll, a public opinion news service. It also publishes the California Opinion Index, dealing with survey data related to public policy issues.

FRC maintains central location telephone centers in San Francisco and Los angeles with 80 interviewing stations, the majority CATI-equipped. Data processing is through two VAX 11/750 computers, a UNIX operating system, and a variety of multi-variate and other software programs.

Mervin Field, 66, is founder and chairman of FRC. Aaron Levy, 53, is president-ceo.

30 **Gallup Organization**, Princeton, N.J. Founded in 1935; privately held corporation. Revenues in 1987 were $10.1 million, up 3.5% from 1986.

This organization, best known for its syndicated Gallup Poll column —now available for inclusion in local TV newscasts via the Conus satellite system—has 140 full-time employees, some located in a WATS telephone interviewing facility with 72 stations near Princeton.

Gallup also specializes in quantitative studies and public opinion research, such as the People, Press & Politics series of surveys sponsored by Times Mirror Co., Los Angeles, which is said to be the largest such research survey of its kind.

The company collects data through face-to-face interviews (national sample, 360 PSUs and about 50,000 interviews a year) and telephone interviewing.

Gallup has joint ventures with Applied Science Group (eye tracking research), SRI Research Center (hospital research) and Alexander & Alexander Consulting Group (defining impact of management policies and practices on employees).

Co-chairmen are George H. Gallup, Jr., 59, and Alec M. Gallup, 57. Joint executive officers are Andrew Kohut, 45, and Leonard A. Wood, 48.

34 **Guideline Research Corp.**, New York. Founded in 1969; privately held corporation. Revenues in 1987 were $8.5 million, up 13.3% from 1986.

GRC, with more than 50 full-time salaried employees in New York and Los Angeles, includes Guideline Research, Topline Research, Guideline-West and Tabline Tabulating Services.

GRC specializes in custom market research—concept product test, AAU tracking studies, TV copy research, strategic and image (product and corporate) studies, industrial research, advertising claim substantiation studies, as well as the use of magnitude estimation for product development optimization.

This year GRC plans new branch offices as well as a new division, Legal Guidelines, which will provide legal expertise in the areas of evidence general studies, research services for use in litigation, claim substantiation, etc.

GRC is headed by Norman Passman, 55, Jay Friedland, 48, and Leonard Resnicoff, 42.

17 **Louis Harris & Associates**, New York. Founded in 1956; since 1975, wholly owned subsidiary of Gannett Co. Revenues in 1987 were $18.6 million, up 20% from 1986.

Subsidiaries outside the U.S.—Louis Harris International and Louis Harris Medical Surveys, both London, and Louis Harris France, Paris—account for 57% of the revenues.

Founded by pollster-columnist Louis Harris, the U.S. operation includes these divisions: telecommunications, computers, healthcare, banking and financial services, automobiles, public policy and corporate affairs. A new division specializes in marketing and social research among school children.

Multiclient surveys track corporate, financial, public and leadership opinions and behavior. About 30% of the company's U.S. work and 15% of the international is for foundations, governmental agencies and other non-profit entities. International survey work has been conducted in 60 countries, including recent studies in mainland China, Poland, Hungary, Zimbabwe, Senegal and Jamaica, as well as major countries in Europe, Latin America, the Middle East and the Far East.

Harris' New York office has 100 full-time salaried employees and a telephone interviewing facility (40 stations, CATI-equipped).

Chairman-CEO is Louis Harris, 67; President-chief operating officer is Humphrey Taylor, 53.

20 **Harte-Hanks Marketing Services**, River Edge, N.J. Founded in 1975; a unit within Harte-Hanks Direct Marketing, which is part of Harte-Hanks Communications. Research revenues were $14.7 million in 1987, up 20.5% from 1986.

This group consists of RMH Research, into which another unit, National WATS Service, a telephone interviewing facility with 75 stations, was folded during 1987, and Urban Data Processing, Billerica, Mass., an EDP service bureau that provides data base processing for marketing and research applications.

RMH, a full-service survey company, specializes in communications and media research and conducts research related to Harte-Hanks' direct marketing activity. An emphasis during 1987 was that as one of 19 licensees to the U.S. Postal Service, the Marketing Services group could use the National Change of Address file to provide new mover research services to a wide range of retail, healthcare and package good clients.

President of Harte-Hanks Direct Marketing and its Marketing Services group is Richard Hochhauser, 43.

3 **IMS International**, New York. Founded in 1954; public company traded NASDAQ.

IMS revenues in 1987 were $375.5 million, of which $240.4 million were attributable to its Market Research Division. Some MRD revenues from computer-based mailing and marketing activities have been subtracted resulting in a research-only revenue of $297.6 million, up 21.3% from the comparable figure for 1986.

Though IMS is a U.S. corporation, top executives are located in London, and revenues from subsidiaries in 64 countries break down roughly: North America (U.S., Canada), 49.6%; Europe, 36.0%; Pacific region, 9.5%; Latin America, 3.6%; Africa, 1.3%. Accordingly, MRD's growth rate is hyped by the growing strength of major foreign currencies vs. the U.S. dollar.

IMS' syndicated service product mix includes ongoing reports on the movement of ethical pharmaceuticals, over-the-counter pharmaceuticals, medical diagnoses and treatments, medical promotion efforts, hospital laboratory supplies, animal health products and personal care products. Data delivery for the most part is via the Multinational Integrated Data Analysis System, which services access to 18 national data bases around the world.

IMS data reports are produced for 97 countries, although not all services are available in all countries. Major clients for these services are 40 to 50 huge multinational pharmaceutical companies.

Data collection is from physicians (estimated at 100,000), pharmacies and drug wholesalers (estimated at 7,000), hospitals, veterinarians, hatcheries and medical laboratories. In the hospital field alone, IMS has a hospital pharmaceutical audit, a hospital supply index and a lab diagnostic audit, among others.

In early 1988, Dun & Bradstreet, parent of A.C. Nielsen Co., announced its intention to acquire IMS, and that deal is expected to be completed in the near future, after which IMS would report directly to Robert E. Weissman, president-chief operating officer of D&B.

IMS' President-CEO is Robert Louis-Dreyfus, 41. Christian Tourres, a senior VP of IMS, is president of the Market Research Division.

4 **Information Resources Inc.**, Chicago. Founded in 1978; public company traded NASDAQ. Revenues in 1987 were $105.5 million, up 12.7% from 1986.

This conglomerate has five information services. The BehaviorScan System is a network of single-source data collection facilities in six mini-markets that collect data via UPC scanning-equipped stores, panels of households whose purchases are linked to the stores, and capability to target TV spots to specific households. These BehaviorScan facilities are used to test consumer promotions, advertising and new product introductions.

The Marketing Fact Book takes purchasing dynamics data gathered from the BehaviorScan market households plus those from similar "sampling pods" in major U.S. urban areas, and makes it available to clients in hard copy form, product class by product class.

InfoScan is a national and local-market tracking service for the grocery products industry, based on 2,380 UPC scanner-equipped stores linked to a panel of 70,000 households. In addition to product movement data, InfoScan also records causal data such as couponing, store features, etc.

Assessor is a simulated test market service that enables marketers to evaluate the viability of new product concepts and estimate their sales potential without the exposure of a full-scale test market.

Decision Support Systems, made available through the use of IRI's principal software product, Express, are applicable to marketing, finance and corporate planning and analysis.

During 1987, IRI acquired ABA Groups, which markets Apollo, a shelf-space management system

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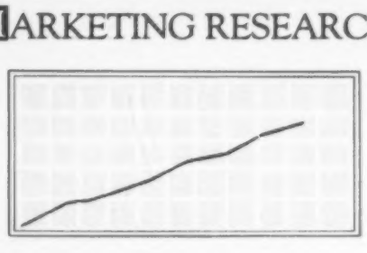

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that enables retailers and manufacturers to measure the performance of retail shelf space.

IRI has 1,561 full-time employees (902 salaried) and 941 part-time employees in eight offices in the U.S. IRI markets to international clients through subsidiaries in the U.K., France and Australia.

In late 1987, Dun & Bradstreet, parent of A.C. Nielsen Co., moved to acquire IRI, an offer withdrawn because of an FTC ruling that such a merger would constitute restraint of trade.

Founder-Chairman of IRI is John Malec, 43. Gian Fulgoni, 40, is president-ceo.

40 **Kapuler Marketing Research**, Arlington Heights, Ill. Founded in 1974; privately held corporation. Revenues in 1987 were $6.6 million, up 29.4% from 1986.

This custom survey operation, with a full-time salaried staff of 41 plus 35 full-time hourly employees, provides a broad range of quantitative and qualitative custom marketing research services, including Quanti-Focus, a system designed to measure national advertising campaign impact and wear-out, and UniFocus, a one-on-one, in-depth interviewing and analytical system used for advertising and campaign development and analysis.

These systems grew out of extensive experience in continuous and multiwave WATS tracking, product testing systems (mall and telephone), and qualitative research. The current emphasis is on measures of the role and impact of promotional activities.

The Kapuler Survey Center has 140 stations, 90 CRT-equipped. President and founder is Stanley J. Kapuler, 47.

38 **Lieberman Research West**, Los Angeles. Founded in 1973; privately held corporation. Revenues in 1987 were $6.9 million, up 28.2% from 1986. LRW revenues include those of a subsidiary, Interviewing Service of America.

A full-service, custom research operation with 50 full-time salaried employees and 150 hourly non-exempt, LRW conducts copy, concept and product testing, tracking and strategic market studies. It specializes in package goods, fast food, healthcare and the entertainment industry (pretesting of movie and TV pilots).

ISA, a 50-station (40 CRT-equipped) WATS interviewing facility, offers full-service field and tab. There are plans to add a focus group facility in Los Angeles later this year.

LWR is managed by two partners: Chairman Arnold Fishman, 43, and President Michael Liebergall, 41.

8 **M/A/R/C Inc.**, Irving, Texas. Founded in 1965; public corporation traded NASDAQ.

Research revenues for fiscal year ending March 31, 1988, were $50.3 million, up 5.9% from the previous year. Total revenues for the same period were $58.2 million.

M/A/R/C has two primary businesses: Custom Marketing Research and Database Marketing. The Custom Research Group provides full-service research, consultation, marketing sciences design and analysis, predictive modeling for new product testing and forecasting through its Entro model, software and facilities management, and customer satisfaction measurement programs, new in 1988.

Data collection is via: Central telephone interviewing centers in Dallas, Greensboro, and Pittsburgh, totaling 235 CRT-equipped stations; Local Market Network, an on-line system that electronically ties independent mall or central location facilities in 33 markets to M/A/R/C's central computer system; National Neighborhood Panel service based on 38,000 households clustered around the 33 LMN sites; and the National Panel, a fixed mail panel of 100,000 households.

M/A/R/C's automated interviewing and tabulation system, which can be used to collect data electronically on mini-computers as well as PCs, is now used through licensing agreements in eight European countries, and a Chinese language version is in place in Hong Kong.

The Database Marketing Group provides consultation for targeted promotions, program design, computer data base management, mailing and fulfillment services, predictive modeling and promotion-related research services. The company added 13 new clients for this service in 1987.

M/A/R/C has a full-time staff of 437 in 12 offices, plus 228 full-time hourly staffers and a weekly hourly payroll of about 950.

President-Chief Operating Officer is Sharon Munger, 41. Chairman-CEO is Cecil B. "Bud" Phillips.

10 **Maritz Marketing Research Inc.**, St. Louis. Founded in 1973; wholly owned subsidiary of Maritz Inc. Revenues in 1987 were $38 million, up 11.5% from 1986.

While primarily involved in custom survey research and data collection (through its Quality Controlled Services unit—QCS), MMRI also fields syndicated studies for the agricultural and automotive industries. Sales of marketing research services, including new product clinics, to the automotive industry alone in 1987 topped $12 million.

In '87, MMRI acquired Alpha Research Group, Chicago, a full-service specialist in consumer package goods and services marketing research. This brought to seven the number of fully staffed, full-service divisions: Chicago, Detroit, Los Angeles, Minneapolis, New York, St. Louis and Toledo. Sales offices are also located in Atlanta and Dallas.

MMRI in 1987 also opened a new QCS field data collection branch in Tampa and added mall interviewing facilities in Minneapolis/St. Paul, New Jersey and Boston. QCS's extensive data collection operation includes 18 branch offices, 36 focus group suites, 581 central telephone lines, 23 mall locations, 28 test kitchens. The company has 228 CATI phone and mall interviewing stations.

New products introduced in 1987 include Initial-Buyer Studies, which determine owner satisfaction with newly introduced cars and trucks; a custom store auditing group; and, through its Agricultural Division, a syndicated study of the Latin American agri-chemical market.

MMRI plans to this year introduce a syndicated study related to the travel industry as well as expand capability for customer satisfaction research. A new public opinion poll, Maritz AmeriPoll, is under test and could become a regular service. MMRI employs 340 full-time staff, 230 of whom are salaried exempt, plus about 2,000 part-time interviewers and supervisors. MMRI President is William H. Lewellen, 57.

11 **Market Facts**, Chicago. Founded in 1946; public company traded OTC; '87 revenues were $37.4 million, up 3.8% from '86. These include Market Facts-New York, a wholly owned subsidiary, but do not include Market Facts of Canada, which is 50% owned by Market Facts.

Most of MF revenues come from custom marketing research studies conducted for marketers of consumer package goods and services, industrial products and various governmental agencies and associations. Some syndicated research is conducted through the Financial Services Group and Healthcare Information Group, although both are primarily occupied with industry-specific custom research projects.

MF utilizes a variety of data collection facilities it owns and manages. These include a network of shopping mall interviewing facilities, a control mail panel data base of 250,000 households, and three national telephone interviewing centers including 144 stations (110 CATI-equipped). MF also offers controlled store audit services through its Marketest facility for in-store experimentation and new product testing, shared-cost surveys through TeleNation, a weekly omnibus national telephone interviewing service, and Data Gage, a shared-cost monthly screening and data collection service of its Consumer Mail Panel operation.

There are 501 full-time salaried employees and client service offices in Van Nuys, Calif., Washington, Framingham, Mass., Dallas, New York and Chicago.

Chairman is Verne B. Churchill, 55. Thomas Payne became president-chief operating officer in '87.

33 **Market Opinion Research**, Detroit. Founded in 1941; privately held corporation. Revenues in 1987 were $8.5 million, down 8.5% from 1986.

MOR is organized by divisions: Consumer and Industrial Marketing Research; Media (especially newspaper) Studies; Social and Public Policy Research; Healthcare; Public Utilities; and Political. Because of the importance of political polling to MOR, its revenues vary with election waves; 1987 was a down year. Recently, MOR President Robert N. Teeter resigned to devote full time to the campaign of George Bush, Republican Presidential frontrunner.

MOR has a client service office in Washington and recently opened another in the Phoenix area. There are 85 full-time employees, 60 of them salaried exempt. For phone interviewing, MOR operates central facilities with 120 stations, all CATI-equipped.

Chairman-CEO is Frederick P. Currier, 64.

41 **Marketing Research Services**, Cincinnati. Founded in 1973; privately held corporation. Revenues in 1987 were $6.4 million, up 10.3% from 1986.

MRS is a full-service marketing research organization providing custom studies and consulting to service industries, commercial/industrial and consumer package goods marketers, with an emphasis on tracking studies. Custom research, including customer satisfaction and service measurement studies, is designed for service companies in banking, energy, retail, restaurant/fast food, travel and shipping/cargo. Access, an interactive tabulation package, lets clients work with data while being collected, or during its analysis.

MRS data collection capabilities include a 125-station, all CRT-equipped WATS center in Cincinnati, high traffic mall facilities in Cincinnati and Springfield, Ohio, and a staff of traveling supervisors who audit subcontracted studies conducted across the U.S.

There are 90 full-time employees (53 exempt), about 200 part-time employees. Founder and president-CEO is Edward D. Horgan, 46.

32 **McCollum/Spielman Research**, Great Neck, N.Y. Founded in 1968; privately held corporation. Revenues in 1987 were $8.7 million, up 3.6% from 1986.

MSR activities are organized by division. The AC-T division's main service is AC-T TRIAD, a multiregion, central-location TV copy testing methodology, along with two evaluative models: Potential Attitude Motivation Shift, which provides a perspective on how a brand's advertising performs relative to its position in the category, and Advertising Weight Simulation Model (AD-SIM), which studies how brand share and volume are affected by specific ads and media weight. AC-T services are available in Germany and Japan through affiliates, and in Canada and Puerto Rico through MSR.

The Prolog division specializes in a service, based on data collection in malls, designed to evaluate advertising, providing frame-to-frame real-time reaction to TV commercials, followed by delayed playback of a respondent's non-verbal response to the advertising stimulus.

Child Research Services Division specializes in one-on-one focus group and large-sample studies among children, teens and their parents. Studies include communications research, product/concept tests, concept evaluation and parent-child interaction analysis.

MSR has 90 full-time salaried employees in four cities. Chairman is Donald H. McCollum, 65. CEO is Harold M. Spielman, 61.

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27 **Mediamark Research Inc.**, New York. Founded 1979; 80% owned by MAI PLC, London; '87 revenues were $11.2 million, up 12.2% from '86.

MRI operates a syndicated/product research service based on personal interviews with 20,000 adults each year regarding their exposure to advertising media and, via leave-behind questionnaires, purchase data on a broad line of products and services.

Clients—including advertising agencies, advertisers, magazines, newspapers, broadcasters and cable networks—can have on-line access to 25 MRI reports. Also, data are linked to Prizm, Acorn and Vision geodemographic systems and the Vals psychographic system.

MRI also produces special reports each year based on a two-year data base: a business-to-business report; the Upper Deck (affluent market); plus reports related to the top local markets, including audience data on newspaper and broadcast stations. The company makes available a microcomputer system called Memri, which enables subscribers to process MRI and other data bases. MRI's Custom Research Division specializes in studies of special markets, including the recontacting of MRI's existing annual sample to collect additional data.

During 1987, MRI closed its Nabscan scanner panel subsidiary. MRI's year-to-year growth rate has been adjusted to put 1986 and 1987 on a common base. MRI has 46 full-time salaried employees in New York, Chicago and San Francisco.

Chairman-CEO is Timothy Joyce, 54. President-Chief Operating Officer is Alain J. Tessier, 54.

7 **MRB Group**, New York. Since 1987, wholly owned subsidiary of WPP Group PLC, London; '87 revenues were $61.1 million, up 14.9% from '86.

During 1987, this conglomerate divested two units, Market Behavior Ltd. in the U.K. and Merac in Bahrain. The revenue growth rate is adjusted to give a common base, 1986 to 1987.

MRB consists of Simmons Market Research Bureau and Winona Market Research Bureau (accunting for 57% of MRB revenues); British Market Research Bureau, Mass-Observation and MRB International in U.K.; Basisresearch in West Germany; Hellas MRB in Greece; Japan MRB in Japan. The largest MRB service is the Simmons Study of Media & Markets, in its 25th year, based on a sample of 19,000 adults and including information on media usage, product and brand purchase behavior, leisure activities, lifestyle and life stage. This data base is put on Bernoulli discs for use on PCs through Simmons' Choices software system. These data are also enhanced via links with other data suppliers, such as Donnelley's ClusterPlus and Claritas' Prizm for geodemographic target marketing.

In conjunction with Arbitron Ratings, the SMM provides local broadcasters with Product Target-Aid and CrossTraQ. In cooperation with Nielsen Media Research, a new service, TV Conquest, is being introduced to give stations, agencies and advertisers another way to target local customers.

SMRB conducted and published in 1987 the national Study of Local Newspaper Ratings, based on a study of readership practices of more than 60,000 adults in 56 leading markets, along with their buying behavior.

In conjunction with these newspaper data, SMRB recently teamed with Arbitron to develop a comprehensive single-source local-market data base. The prototype is being tested in Phoenix.

Winona operates a 210-station CATI phone interviewing system from its facility in Phoenix. During 1987, this unit derived more than half of its revenues from full-service surveys related to concept, product and home-use studies. Winona will this year introduce new syndicated studies, SampleAmerica and HispanicAmerica, based on 20,000 Hispanic households.

MRB employs a full-time staff of 660 in 12 offices worldwide. Chairman-CEO is Frank Stanton, 58.

21 **National Analysts**, Philadelphia. Founded in 1943; Since 1970 a division of Booz, Allen & Hamilton; '87 revenues were $14.5 million, up 17.9% from '86. NA conducts custom ad hoc surveys for both commercial clients and not-for-profit institutions, including federal, state and local governmental agencies. More than 75% of revenues come from commercial clients; for that work NA is organized by staff specialists in the following fields: automotive, financial services, information/telecommunications, litigation support, retailing, pharmaceuticals and medical equipment, and utilities.

Also, NA conducts qualitative research (focus groups and individual depth interviews), market segmentation and trade-off analyses and multi-variate modeling. Medicaster, a new model, predicts market share and volume for new healthcare products based on physician surveys.

In '87, NA developed and began testing NA-lyzer, an interactive, PC-based software package for rapid analysis of survey data, which will be marketed worldwide through World Research Systems.

NA has 57 full-time salaried employees and 120 full-time non-exempt employees in Philadelphia and New York offices.

President is Marshall G. Greenberg, 52.

24 **National Research Group**, Los Angeles. Founded in 1978; privately held corporation. Revenues in 1987 were $11.5 million, up 29.2% from 1986.

This survey research company, which works almost entirely for the movie industry, specializes in audience surveys, studies to develop advertising strategy, and tracking for awareness, imagery and interest. Early in 1988, NRG was in the process of being acquired by Saatchi & Saatchi PLC, London.

Through offices in London, Tokyo and Sydney, NRG conducts full research services in 12 major entertainment market countries worldwide. About 16% of NRG revenues come from outside the U.S.

There are 300 full-time employees, and in Los Angeles NRG maintains a central telephone interviewing facility with 80 stations.

Co-founders are Joseph Farrell, 52, chairman-ceo, and Catherine Paura, 37, president-chief operating officer.

45 **Newman-Stein**, New York. Founded in 1974; privately held corporation; '87 revenues were $5.5 million, up 3.8% from '86.

Newman-Stein has a subsidiary in San Francisco and Shelf Power, a standardized package design testing company co-founded in 1986 with DGM Inc., New York.

This survey researcher, with 50 full-time salaried employees, specializes in providing concept, product, package and advertising testing, tracking studies and all

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elements of strategic research—attitude, image and market segmentation studies. The company also offers complete qualitative research services, including focus groups and face-to-face interviewing.

Newman-Stein is jointly headed by Lawrence Newman, 48, William Stein, 49.

9 **NFO Research, Greenwich, Conn.** Founded in 1946; since 1982, a wholly owned subsidiary of AGB Research PLC; '87 revenues were $38.9 million, up 6% from '86. (These do not include another U.S. AGB operation, AGB Television Research, and subsidiary AGB/Information & Analysis, Hicksville, N.Y.) Total '87 AGB U.S. revenues were about $43.4 million.

This full-service survey research company maintains a fixed mail panel of more than 400,000 households (more than 1 million individuals), categorized according to demographic and product ownership characteristics. Samples are interviewed via mail or telephone through central phone facilities in Toledo and Greensboro, N.C., with more than 200 stations supported by CATI interviewing systems.

This system is used for concept and product testing, attitude and usage studies, tracking and segmentation studies. Several proprietary segmentation systems are available for analytical purposes.

NFO provides syndicated services for the beverage industry (SIP), mail order (MOMS), and carpet and rug industry (CARS). In 1987, NFO introduced the syndicated National Yellow Pages Monitor Service. Also in 1987, NFO expanded its Screen Test service, which presents concepts and new products to respondents via videotape, to include young children.

There are 700 NFO employees and marketing offices in Greenwich, Conn., Toledo, Chicago, St. Louis and San Francisco.

NFO, through its NFO/SRG International subsidiary in White Plains, N.Y., provides access to the AGB Research Group of companies in 35 countries. William E. Lipner, 40, is president and CEO.

1 **A.C. Nielsen Co., Northbrook, Ill.** Founded in 1923; since 1984, wholly owned subsidiary of Dun & Bradstreet Corp.; '87 research revenues are estimated at $765 million. After accounting for acquisitions made during '87 (Majers, NPD Packaged Goods Division and a research company in Finland) and putting both years on a common basis, growth rate, 1987 over 1986, is estimated at 17.6%. About 60% of ACN research revenues come from operations in 27 countries outside U.S.

Last year was an extraordinary one for the largest marketing research company in the world. Its Marketing Research Group started a Confectionery Index market measurement service; expanded its Scantrack (and Scantrack Plus) scanner panel service to 14 new U.S. markets and introduced comparable services in Canada, U.K., France, Germany, The Netherlands, New Zealand and Australia; acquired the NPD Packaged Goods Division of NPD Group and started to build the NPD/Nielsen Electronic Household Panel, a single-source system to relate product purchasing with TV viewing; announced ScanPro marketing models; launched TestSite Services, a new service in Canada; and in Japan, started Vendex, a measurement of vending machine sales.

The most traumatic event of the year was the attempt by ACN-parent D&B to acquire arch competitor Information Resources Inc., a move stopped by the Federal Trade Commission for possible restraint of trade.

In early 1988, Nielsen Marketing Research Group USA announced it was phasing out its ERIM single-source test marketing service and that it intended to acquire Syndicated Data Consultants, Ltd., London. Also early this year, D&B announced its intention to acquire IMS International the third-largest marketing research organization in the world.

Nielsen Media Research in the U.S. completed its Nielsen Television Index service conversion to Nielsen People Meter with 2,800 households in the sample. It also expanded its local-market meter panel service to Seattle and Hartford. It announced Advertiser Tracking System, a service monitoring purchase and audience delivery of spot, network, syndication, cable and adjacent-market viewing; Client Cume System, a service to determine the number of households or persons reached by a commercial aired on different TV programs; Dailies Plus, a PC-based system that lets clients retrieve national TV ratings overnight; and Monitor Plus, analyses of competitive TV-commercial occurrence data for brands or product classes.

Also early this year, Nielsen Media Research announced expansion of local-market meter panel service to the Sacramento-Stockton market area, Alaska, Hawaii and Minneapolis-St. Paul.

Chairman-CEO is John C. Holt, 49. He also is an exec VP of D&B and on that company's board. Richard W. Vipond, 60, president of Nielsen Marketing Research Group, retired May 1; his successor is Albert J. Kretch. James D. Lyons, 53, is president of Nielsen's Media Research Group.

13 **NPD Group, Port Washington, N.Y.** Founded in 1953; privately held corporation. Research revenues in 1987 were $25.7 million, up 18.2% from 1986. These revenues and the growth rate exclude all revenues related to NPD's Packaged Goods Division, which was spun off in '87 into a joint venture company, NPD/Nielsen. About 2.3% of NPD revenues come from outside the U.S.

NPD Group consists of two business units. Syndicated Services provides tracking data bases covering store movement, consumer purchasing and consumer attitude/awareness data series to industries such as toys, apparel, textiles, sporting goods, jewelry, petroleum/automotive, electronics, foodservice and in-home food consumption, with data collection via mail diary panels, store audits, point-of-sale computerized audits and telephone interviewing techniques.

Custom Services consists primarily of NPD's HTI Custom Research and Marketing Models Divisions, operating a 200,000-household fixed mail panel and a related CRT central telephone interviewing facility in College Park, Md. The Marketing Models Division provides proprietary mathematical modeling, services such as ESP and BrandStar, for pre-test marketing and new product simulation.

Last year NPD acquired Smart Inc., a research company specializing in the sporting goods field, which has been merged into NPD's sports services, and started Intelect, a consumer electronics product audit program; started TOPS, a toy attitude/awareness tracking service; and through HTI, launched a single-question monthly large-scale survey, A to Z Insta-Vue.

So far in '88, NPD has acquired Marketing Network, a Atlanta-based telephone research company specializing in business-to-business studies, and announced a new healthcare tracking service developed in conjunction with the Insti-

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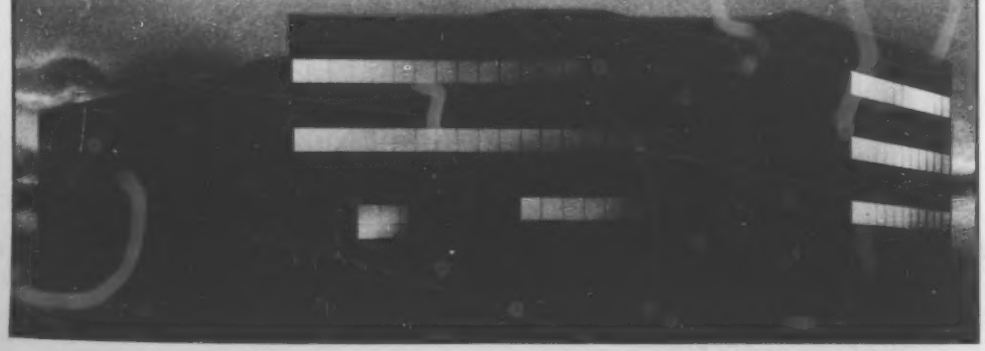

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tute for Healthcare Marketing at the University of Houston. The NPD Group has 320 full-time salaried employees located in offices in Port Washington, N.Y., Chicago, Mission Viejo, Calif., Houston, College Park, Md., and Atlanta.

Tod Johnson, 43, is president-CEO.

19 **Opinion Research Corp.**, Princeton, N.J. Founded in 1938; since 1975 a wholly owned subsidiary of Arthur D. Little Inc. Revenues in 1987 were $15.7 million, up 3.3% from 1986.

This survey research organization provides full-service market research from field and tab through sophisticated multivariate, conjoint and market segmentation studies. Special model-based services profile specific market segments, analyze consumer needs and wants, address pricing and positioning for new products, determine advertising message effectiveness, and forecast new product acceptance. A Corporate Research Division specializes in studies of corporate image, issues and communications, as well as organizational effectiveness and employee satisfaction studies.

ORC offers staff expertise in telecommunications, computer technology, financial services, healthcare/pharmaceuticals, travel and tourism. Shared-cost surveys include the every-other-weekly General Public Caravan and a quarterly Executive Caravan among business executives.

ORC operates a CATI-based telephone interviewing facility with 125 stations. ORC has 180 full-time salaried employees in Princeton and branch offices in New York, Washington, Chicago and San Francisco. Later this year, ORC will open an office in Boston. Also, later this year, ORC will move into a new headquarters building in Princeton, and the company will introduce a new R&D laboratory service to work directly with clients to create unique research techniques and models. President-CEO is Andrew Brown, 43.

50 **Oxtoby-Smith**, New York. Founded in 1956; privately held corporation. Revenues in 1987 were $5.1 million, down 12.1% from 1986.

This survey research company, with 65 full-time salaried employees, is distinctive in that about 60% of revenues come from clients for whom O-S assumes major responsibility for the consumer research function, both as a consultant and research supplier. Among such clients currently are Block Drug, Coca-Cola Foods, Rolls-Royce, MCI Telecommunications and House of Seagram. The loss of one such client, American Motors Corp., because of its merger with Chrysler, is the main reason for the revenue decline from 1986.

The balance of O-S revenues comes from custom ad hoc survey projects, consultation and research and testimony relating to legal matters, including trademark litigation and advertising claim substantiation. During 1987, O-S introduced Pro-Sort, a syndicated pre-test system for sales promotions. It will go national in 1988.

The organization's professional staff is supported by a central telephone interviewing facility with 20 stations, all CRT-equipped, and a focus group operation.

Founder and president is Joseph Smith, 61.

22 **Pharmaceutical Data Services**, Scottsdale, Ariz. Founded in 1977; an operating unit with PCS Inc., public company traded OTC. Research revenues were $14 million in 1987, up 48% from '86. Not included in these revenues is a West German subsidiary, Medilog GmbH, Nuremberg.

PDS, which collects, analyzes and supplies information for U.S. prescription drug marketers, is organized along four product lines: Alpha Data Services, which accesses the nation's largest network of 10,000 pharmacy computer terminals for sales performance evaluation and market potential, including Alpha audits for drug product brand share and trend; Consumer Data Bureau, which provides primary market research on users of prescription medication; Dresden Davis Organization, which provides Scriptac, a service providing targeted lists of physicians for direct mail marketing; and IHS Hospital Data Services, which provides data from an electronically captured data base of 100 hospitals regarding drug use/DRG/costs/procedures and ICD-9. The company also does custom research and provides data base management services. PDS is headed by Exec VP-General Manager Sheldon H. Silverberg, 42.

37 **J.D. Power & Associates**, Agoura Hills, Calif. Founded in 1968; privately held corporation. Revenues in 1987 were $7.6 million, up 24.6% from 1986.

Power is a full-service marketing information/research and consulting operation best known for its automotive information and consulting services, although it also works in other consumer and industrial product fields.

The automotive services are in six areas: marketing research, consulting services, planning forecasting, media research, distribution analysis and publications. Best known are annual surveys of customer satisfaction with auto dealer service and new cars and trucks; other studies pertain to auto buyer profiles, competitive dynamics reports, dealer attitude studies and other product quality tracking studies. Power also conducts advanced product clinics and sponsors the SuperDealer Roundtable.

In 1987, Power—jointly with Data Resources, a McGraw-Hill subsidiary—expanded into auto market and production forecasting; magazine readership research; and training, through acquisition of the Dealership Management Research Institute. It also initiated an auto consumer satisfaction index service in Belgium, believed to be the forerunner of a pan-European index.

Power has 75 salaried employees, 41 of whom are exempt. Founder and President is J. David Power III, 56.

5 **Research International**, London. Founded in 1972; wholly owned subsidiary of The Ogilvy Group since 1987. Revenues for this organization, which considers itself the largest ad hoc research company in the world, were $89.6 million in 1987, up 14.0% from 1986. Included in revenues is Decisions Center Inc., New York, acquired by RI in 1987. RI growth rate is calculated on a common base, 1986 to 1987.

The RI organization, built by Unilever, includes subsidiaries in Australia, Austria, Belgium, Brazil, Finland, France, Greece, Italy, Kenya, The Netherlands, New Zealand, South Africa, Spain, Sweden, U.K., U.S. and West Germany.

DCI, with 190 full-time employees, includes Decisions Center, Express Data Center (network of 17 computerized mall locations), Research International-New York

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and Facts Center, 94-station phone interviewing facility. DCI specializes in custom survey research: large-scale market structure and strategy studies, print and TV copy testing, tracking studies, legal studies, qualitative research and concept and product testing.

This U.S. RI unit had revenues of $17.2 million in 1987, up 4% from '86.

RI operating units worldwide specialize in an array of quantitative and qualitative research methodologies, including attitude and usage studies, multivariate analysis and mapping, print and TV ad testing, new product development, modeling, market segmentation and behavioral research.

Ian Hunt, 56, is ceo of Research International group. The U.S. operation is managed by CEO Bernard Ruderman, 56, and President Steven Roth, 42.

35 Response Analysis, Princeton, N.J.

Founded in 1969; privately held corporation. Revenues in 1987 were $8 million, up 16.4% from 1986.

These revenues do not include RA's ARRO division, Bethesda, Md., divested during '87.

RA concentrates on commercial research (especially multisponsor and custom studies in financial services, healthcare and telecommunications), on litigation support, and on large-scale survey research projects for agencies of the federal government.

RA maintains telephone interviewing facilities in Princeton and in Hamilton Township, N.J., totaling 59 stations. There are 92 salaried full-time employees and 128 hourly workers.

CEO is Herbert I. Abelson, 62.

28 Starch INRA Hooper, Mamaroneck, N.Y.

Founded in 1923; public corporation traded OTC. Revenues in 1987 were $11.0 million, up 20.9% from 1986. These include subsidiaries the Roper Organization and International Research Associates.

Best known for print ad and print audience studies, Starch in 1987 launched several syndicated products: Public Pulse, a monthly newsletter based on Roper Reports data; Market Monitor, a shared-cost survey that measures, quarterly, purchase and brand position data for industries such as luggage, house paint, cookware and mattresses; Intragold, a study of brand usage, lifestyle and attitudinal data on top 5% of households (based on income) in the U.S. and several European countries; Roper Campus Reports, three surveys yearly of college students; and Forum, based on panels of 150 public opinion leaders in three European countries.

The INRA network of affiliated survey research companies was restructured in 1987 and now includes 30 associates worldwide. INRA Asia/Pacific, a holding company, was established in Hong Kong.

SIH maintains a central telephone facility in New York (55 stations), and there is a full-time staff of 160, 62 of whom are salaried exempt employees. President-CEO is William J. "Jay" Wilson, 51.

44 Total Research Corp., Princeton, N.J.

Founded in 1975; public corporation, traded NASDAQ. Revenues in 1987 were $5.6 million, up 11.4% from 1986.

This custom ad hoc survey research organization with 85 full-time exempt employees (plus about 300 part-timers) started in 1986 to emphasize proprietary, standardized packages of statistical and analysis techniques, to wit: Price Elasticity Measurement System to evaluate pricing strategies; Competitive Share Model to predict the effect of product line extension or product elimination on a client's own market shares and those of competitors; Compass (Components Assessment) to analyze the structure of a competitive market and determine the effect product attributes have on purchase decisions; and, new in 1987, BrandPower, a comprehensive strategic market structure study.

Total Research collects data via personal interviews, focus groups, mail surveys, store audits, product use tests and telephone interviewing.

There are two phone facilities: Tampa, with 60 stations (52 CATI-equipped), and Princeton, with 16 stations (all CATI). Both are linked to the company's HP 3000 series computer. Chairman-ceo is Lorin Zissman, 57.

43 Vanderveer Group, Fort Washington, Pa.

Founded in 1979; privately held corporation; '87 research revenues were $5.8 million, up 34.9% from 1986.

About 44%—or $5.8 million—of VG's total revenues were attributable to marketing research studies and consultation to the consumer package goods, financial institution, industrial manufacturing, telecommunications, pharmaceutical and healthcare markets.

VG conducts studies related to product positioning, new product development, concept generation and testing, market assessment, trend analysis and behavior and usage.

Data collection facilities include a central phone interviewing center (70 stations with a CATI system to be added later this year) and two focus group facilities.

VG uses quantitative and qualitative research procedures, plus in-depth telephone interviewing. New methodologies are staff-developed and often grounded in psychological segmentation.

Chairman is Richard B. Vanderveer, 40. President is John E. McNichol, 37.

16 Walker Research, Indianapolis.

Founded in 1964 (succeeding Walker Research Service, founded in 1939); privately held corporation. Research revenues in 1987 were $20.1 million, down 5.6% from '86. (These do not include affiliate Walker Clinical Evaluations, which conducts Phase III clinical investigations and trials of drugs, cosmetics, foods, animal products, medical devices, electronic products.)

Walker is organized into three strategic business units: Walker Research & Analysis, providing full-service custom ad hoc research services nationally through client service offices in New York, Winston-Salem, N.C., Cincinnati, Indianapolis and San Francisco; Walker Datasource, providing data collection, tabulation, data base management and computer services through a network of data collection offices in five states and central telephone interviewing facilities totaling 240 stations, most CATI-equipped; and Walker Customer Satisfaction Measurements, a quality improvement consulting organization specializing in design and implementation of customer satisfaction measurement studies.

In 1988, Walker will conduct the eighth biennial update of its Industry Image Study, which assesses consumer attitudes toward surveys and polls. Walker has 134 full-time salaried employees, 132 full-time hourly and 538 part-time.

Chairman-CEO is Frank D. Walker, 53. President-chief operating officer is James E. Sammer, 49.

6 Westat, Rockville, Md.

Founded in 1961; an employee-owned corporation; '87 research revenues were $61.3 million, up 74.3% from '86. Revenues include those of Crossley Surveys, a subsidiary since 1983, but not of computing unrelated to research activities. Westat specializes in large-scale survey research projects, about 94% of which are conducted for federal agencies.

The extraordinary '87 revenue gain was mostly because of one study, the National Medical Expenditures Survey sponsored by the Department of Health & Human Services, which had Westat as prime contractor along with two subcontractors (this subcontract work, amounting to $12.2 million, is included in Westat revenues).

Westat's staff includes 372 exempt salaried professionals (up 31% from 1986), a non-exempt salaries staff of 140, and about 500 staffers for telephone interviewing, support and survey processing. It operates central telephone facilities in Rockville and Frederick, Md.

President-CEO is Joseph A. Hunt, 52. Edward C. Bryant, 72, a founder of the company, is chairman emeritus.

36 Wirthlin Group, McLean, Va.

Founded in 1969; privately held corporation. Revenues in 1987 were $8 million, down 23.1% from 1986. Formerly Decision/Making/Information, this full-service survey organization changed its name in 1987.

TWG, with 80 full-time employees (49 salaried exempt), is organized into strategic business units: marketing research, public affairs and political research, an important segment because of Richard Wirthlin's role as strategy/research adviser to prominent Republicans including President Reagan, Sen. Robert Dole and the Republican National Committee. This political work explains the drop in revenues from 1986, a political cycle year. TWG has client service offices in New York (new in 1987), Princeton, N.J., Chicago, Santa Ana, Cal., and Los Angeles (new in 1988). The organization has a central telephone interviewing center (142 stations) in Provo, Utah.

In '87, TWG became exclusive research vendor to Hill & Knowlton; acquired Welch Communications, a direct mail agency; and developed a research model for application in the corporate image area.

Founder-chairman is Richard B. Wirthlin, 57. Thomas B. Hughes, 43, is president-chief operating officer.

14 Yankelovich Clancy Shulman, Westport, Conn.

founded in 1958; since 1986, a wholly owned unit within Saatchi & Saatchi Consulting, a subsidiary of Saatchi & Saatchi Plc., London. Revenues in 1987 were $24 million, up 13.4% from 1986.

The company is organized into three divisions: Research specializes in ad hoc consumer marketing and business-to-business research, public opinion/policy studies, corporate communications studies, and multisponsor surveys to special groups, such as media, brokers, individual investors, portfolio managers and Eurasian investors.

Consulting and Monitor Lifestyle Syndicated Surveys specializes in 6 areas: product positioning and relaunch; market structure analysis; new product and service development; concept screening and prioritization; acquisition studies and new business analysis; and marketing plan development and optimization. There are three surveys—Monitor, Youth Monitor, and, new in '88, Hispanic Monitor.

Market Response Modeling focuses on modeling and market response assessment research, featuring the Litmus Model.

So far in 1988, YCS has made two acquisitions: Albemarle Market Research Ltd., London, a full-service survey company to be renamed Yankelovich Clancy Shulamn/Albemarle, and American Marketing Services, Newport Beach, Calif., to be renamed Yankelovich Clancy Shulman/West.

There are 110 full-time salaried exempt employees at YCS.

President-ceo is Robert S. Shulman, 36. Chairman is Kevin J. Clancy, 45.

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Hal Riney vs. Japan

Saturn ads to take risks

By RAYMOND SERAFIN

Saturn Corp. executives, who plan to break the rules in manufacturing cars, may break the rules with their advertising as well.

The surprise choice last week of Hal Riney & Partners as the General Motors Corp. unit's agency is a sign that not only will the first Saturn car challenge importers directly, but so will the ad campaign.

"My instincts and my look at consumers suggest to me the era of unchallenged Japanese dominance is probably coming to an end," said Mr. Riney, whose San Francisco agency was named Saturn's first "communications partner" for an account that could reach—and maybe exceed—$100 million.

"In some people's minds, we've become a second-rate country. I don't like that," he said. "Saturn can be a major element in changing that."

Troy, Mich.-based Saturn last week ended an eight-month agency search by selecting Riney as the winner of a three-way shootout that also included N W Ayer, New York, and Hill, Holliday, Connors, Cosmopulos, Boston.

Riney will have about two years to come up with an ad campaign for what promises to be the most scrutinized car launch in U.S. history.

Riney's advertising for Saturn could emphasize "pride and personality,"

(Continued on Page 68)

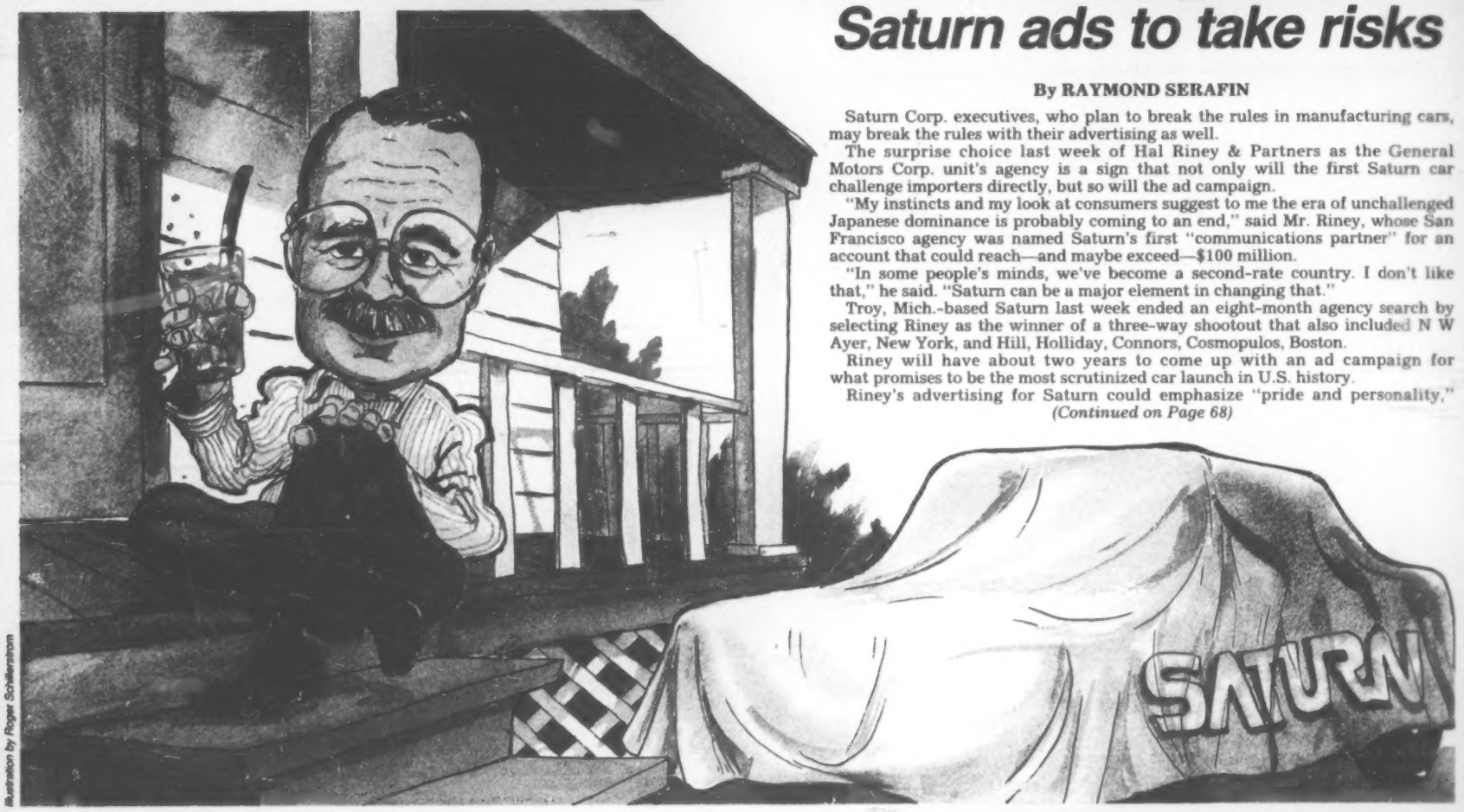

Illustration by Roger Schillerstrom

Saturn win means big changes

Riney culture shock?

By GARY LEVIN

Hal Riney & Partners faces dramatic changes in its structure, creative culture and even new-business strategy in the aftermath of its $100 million Saturn Corp. win.

When the first Saturn cars roll off the assembly line next year, Riney's billings will grow an estimated 65% from its current $150 million, spread among offices in Chicago, Los Angeles, New York and San Francisco.

By then, the agency will have

What makes Riney tick—P. 68

gradually added at least 50 new staffers in its creative, media and research departments to meet the challenge of launching the first new-car brand for General Motors Corp. since 1919.

Although Riney's billings remain medium-size by most national standards, the Saturn account will cause the agency to quickly evolve into a truly full-service operation by forcing new strengths in account service,

(Continued on Page 69)

Photo by Todd Weinstein

Hal Riney gets a lapel pin from Thomas Shaver (l.), Saturn's director of marketing services, while VP Donald Hudler looks on.

Last Minute News

Saatchi shopping in Latin America

LONDON—Saatchi & Saatchi Advertising is negotiating to buy one of the top five agencies in Mexico and Brazil. The agency group currently has few equity positions in Latin America. Sources say Saatchi is talking to Mexico's No. 1 agency, locally owned Publicidad Ferrer, Mexico City, with 1987 billings of $36 million.

Nissan to narrow Infiniti race

CARSON CALIF.—Nissan this week will pick two or three finalists from the five agencies it met with last week for its new $60 million Infiniti luxury car account. Nissan talked to Ally & Gargano, New York; the Bloom Agency, Dallas; Chiat/Day, San Francisco; Hill, Holliday, Connors, Cosmopulos, Boston; and Tatham-Laird & Kudner, Chicago.

Avon seeks shop for new fragrance

NEW YORK—Avon Products' Parfums Stern division is looking for an agency to handle its business, which will include a new fragrance that

(Continued on Page 8)

New 4A's director bares all.

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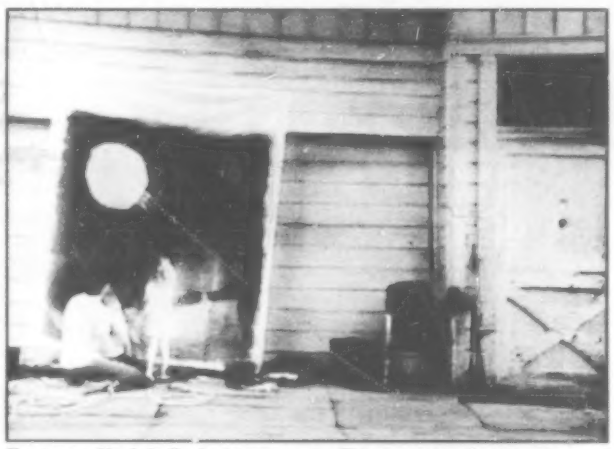
HOT STUFF

Frito-Lay introduces Lay's Italian Cheese Flavored potato chips in test markets with this 30-second TV spot called "Gestures." Vignettes of a day in New York's Little Italy capture the Italian flavor. The commercial is from Tracy-Locke, Dallas.



Eastman Kodak Co.'s largest-ever TV campaign for its renamed Kodacolor Gold films will start network rotation June 6. The spots feature a jingle version of Cyndi Lauper's hit song "True Colors." J. Walter Thompson USA, New York, handles.

A video of singer Kim Carnes recording a radio spot for Coca-Cola Classic turned out so well that Coca-Cola Co. decided to use it in TV spots. The spots, from McCann-Erickson, New York, broke in movie theaters over the weekend and hit network TV next month.

World News Roundup

DUESSELDORF—3M here plans to consolidate its $20 million European ad business. The marketer invited its current agencies—Grey Advertising, HDM and Ogilvy & Mather—to pitch.

LONDON—The U.K. government's National Employers Liaison Committee awarded its new $19 million, five-year account to Young & Rubicam to build the image of the U.K.'s voluntary reserve military.

MADRID—The Spanish Ministry of Economy awarded its new $5.6 million account to Bassat, Ogilvy & Mather. The 1988 ad campaign reminds Spaniards to pay their taxes.

LONDON—Rowntree Mackintosh, U.K. confectioner and the subject of a $3.8 million takeover bid by Nestle, has been running a series of

(Continued on Page 48)

Bill seeks paid anti-drug ads

By STEVEN W. COLFORD

Two senior U.S. senators want the federal government to mount a $225 million paid ad campaign against drug abuse.

Legislation to create the campaign, co-sponsored last week by Sens. Ernest Hollings (D., S.C.) and John Danforth (R., Mo.), generated immediate controversy.

Ad industry officials warned that the three-year, $75 million-a-year federal ad project could snuff out the advertising and media industry's much-acclaimed public service campaign against drug abuse.

TV industry officials are upset because the plan would extend federal law that now applies only to political campaign advertising to another type of government advertising.

The Senate bill would require TV broadcasters to make time available for sale to the government anti-drug campaign, as they must for federal political candidates, and to price it under the same "lowest-unit-rate" price formula that applies to ad time bought by candidates for federal office.

The formula ensures that candidates get the rate TV stations offer to their best customers.

The legislation will be considered by the Senate Commerce Committee, where Sen. Hollings is chairman and Sen. Danforth is the ranking Republican.

The senators' Television & Radio Advertising Act would create a five-person panel, including two media or advertising experts, to run the campaign. The panel would oversee the hiring of an agency and development of creative and media placement.

The anti-drug campaign would be the biggest new government ad program since the all-volunteer armed services effort switched to paid advertising from public service more than a decade ago.

American Association of Advertising Agencies Exec VP John O'Toole expressed "grave concerns" about the impact such a paid government campaign would have on existing public service ads, particu-

(Continued on Page 66)

But '92 deal restricts who can buy time

CBS grabs Olympics

By PATRICK McGEEHAN

NEW YORK—CBS faces major hurdles in selling airtime on the 1992 Winter Olympics Games, after paying $243 million for TV rights.

The contract CBS signed last week for rights to telecast its first Olympic Games in 28 years requires the network to give some official U.S. Olympic Committee sponsors first crack at category exclusivity.

The exclusivity requirement could keep CBS from offering a single advertiser exclusivity in a category if an official sponsor buys only a portion of time in that category. For example, if Miller Brewing approaches CBS requesting exclusivity in the beer category, the network would be unable to do it if Anheuser-Busch is a USOC sponsor.

In opting out, ABC cited contract language that "erodes the ability of the network to protect its TV sponsors" as a reason for pulling out of the bidding two days before it began. ABC is believed to have promised its Winter Games advertisers this year first option on time in future Olympics it carried.

The change was made so companies that buy official sponsorships in major categories from the U.S. Olympic Committee will not get shut out, so they get first crack at negotiating for time on CBS (*see related story on Page 48*).

In 1984, Fuji Photo Film was shut out when it was the official film sponsor of the Los Angeles Olympics because rival Eastman Kodak Co. bought TV exclusivity.

Although agency media executives joined ABC in saying the contract changes will make selling time more difficult, CBS Sports President Neal Pilson downplayed the difficulty in selling time to advertisers on the Olympics. "We made the judgment they would not impact in any way our ability to sell," he said.

The CBS contract to telecast the Games, to be held in Albertville, France, also restricts the use of Olympic logos in print advertising by companies that buy time on the Games but are not official USOC sponsors.

Advertisers will be prohibited

(Continued on Page 70)

Sun Country told to cool off

Nets balk at steamy ads

By PATRICIA WINTERS

Canandaigua Wine Co.'s steamy new Sun Country wine cooler campaign is too hot for ABC and CBS.

The two TV networks won't run the spots, themed "The hotter cooler," until three sexy scenes are cut out, the company said.

The spots, already airing on syndicated TV shows in local markets and on MTV: Music Television, feature fast cuts of bare-chested men and leggy women in suggestive poses cooling off from the heat either by drinking the cooler or pouring it on themselves.

Original rock music and chants of "hot, hot; cool, cool" precede the tagline "Open it up and pour it on."

The campaign, which broke early this month, was created by Towne, Silverstein, Rotter, New York.

ABC and CBS objected to three scenes: a woman in a teddy and cowboy boots, a woman whose dress is blown upward revealing her panties and a man lifting up a woman in a sensual pose, said Steve Stetzer, Canandaigua assistant marketing-ad director.

The two networks found those scenes too racy, but NBC didn't object, he said.

The agency will edit those scenes from the 30-second spots and replace them with other footage. The edited spots will air on ABC and CBS, while the originals will air on NBC and other media.

"If it was for a cosmetic, I don't think they'd find a problem [with the spots]," Mr. Stetzer said. "I think they're concerned because it's for an alcoholic beverage."

He said the spots deliberately were created to stir the emotions as a way to cut through the clutter of wine cooler advertising.

"We don't have the dollars of a

(Continued on Page 67)

Canandaigua's new campaign for Sun Country cooler is too hot to handle for two TV networks.